

111 5563
C91
4.24

MID STATE
UNIVERSITY
NOV 12 1935
LIBRARY

The CREDIT WORLD

Only Magazine Devoted Exclusively to Retail Credit



1008 Active New Accounts
Through an Employees' Contest
...

A "Workable" Bonus Plan
For Managers of Credit Sales
...

Credit Executive's Responsibility
To the Credit Bureau
...

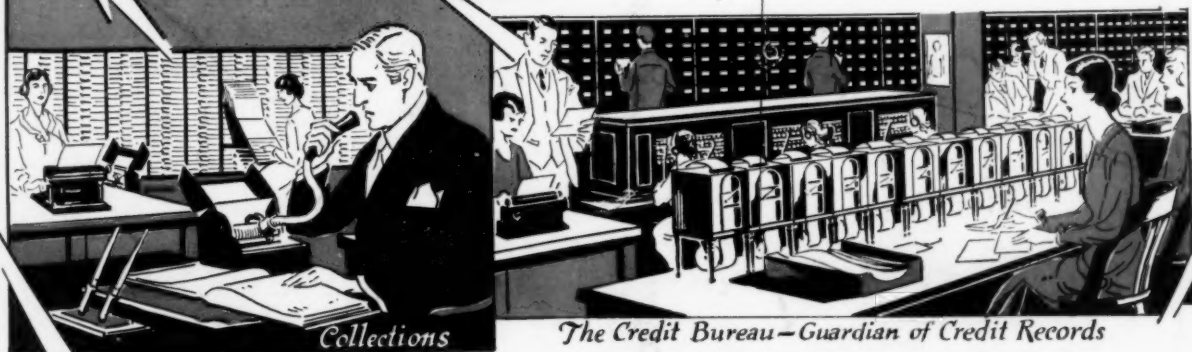
Courage Is Needed—
As Well as Caution
...

"Bad-Check" Passers
Shun Cleveland
...

Grocer's Credit Sales 76%
of Volume
...

Short Articles on Timely Topics—"Credit
Flashes"—Trends of Credit Sales and
Collections—"Credit Department Letters"

NOVEMBER, 1935 Vol. XXIV, No. 2



NATIONAL RETAIL CREDIT ASSOCIATION OFFICERS AND DIRECTORS

First Vice-President

E. K. BARNES
First National Bank
Spokane, Washington

President

GILES C. DRIVER
The May Company
Cleveland, Ohio

Second Vice-President

A. J. KRAMER
Borden's Farm Products Co., Inc.
New York

General Manager-Treasurer

L. S. CROWDER

Secretary and Research Director

ARTHUR H. HERT

Directors

WALTER E. BAAB
Franklin Simon & Co.
New York
FRANK BATTY
Hale Bros. Stores, Inc.
San Francisco, Calif.
GRANT C. BRAMAN
The Bedell Company
Portland, Oregon
FRED R. COOKSEY
Hill & Welch Co.
Lynn, Mass.
S. E. EDGERTON
Broadway Dept. Store, Inc.
Los Angeles, Calif.
RUSSELL H. FISH
The May Company
Denver, Colo.
DAVID H. GOLDMAN
Rosa Goldman Company
Pittsburgh, Pa.

E. F. HORNER
Kline's, Inc.
St. Louis, Mo.
GUY H. HULSE
National Consumer Credit
Reporting Corporation
St. Louis, Mo.
ERWIN KANT
Ed Schuster & Co., Inc.
Milwaukee, Wis.
C. M. KEEFER
S. Kann Sons Company
Washington, D. C.
J. G. MCBRIDE
The Geo Innes Company
Wichita, Kansas
J. G. OST
The Cowell & Hubbard Co.
Cleveland, Ohio
CHAS. M. REED
The Retail Credit Men's Assn.
Denver, Colo.

J. GORDON ROSS
Rochester Gas & Elec. Corp.
Rochester, N. Y.
S. E. SHERMANTINE
Retailers Credit Assn.
San Francisco, Calif.
MARLEY STYNER
John L. Wortham & Son
Houston, Texas
EVERETT SUMNER
Florida Power Corporation
St. Petersburg, Fla.
PAUL C. VAUGHAN
Loveman, Joseph & Loeb
Birmingham, Ala.
H. PRICE WEBB
L. Hart & Son Co.
San Jose, Calif.
H. O. WRENN
Nebraska Clothing Co.
Omaha, Neb.

*Executive Committee**

WALTER E. BAAB
Franklin Simon & Co.
New York
FRANK BATTY
Hale Bros. Stores, Inc.
San Francisco, Calif.
CHAS. M. REED
The Retail Credit Men's Assn.
Denver, Colo.

Legislative Committee

W. J. MORGAN, *Chairman*
Brooks Brothers
New York
MARK LANSBURGH
Lansburgh & Bro.
Washington, D. C.
H. E. ARMSTRONG
James McCreery & Co.
New York
G. D. HARRIS
The May Company
Baltimore, Md.
L. W. HILBERT
Stewart & Co.
Baltimore, Md.

Finance Committee

J. G. OST, *Chairman*
The Cowell & Hubbard Co.
Cleveland, Ohio
H. J. BURRIS
The John Taylor D. G. Co.
Kansas City, Mo.
A. J. KRAMER
Borden's Farm Products Co., Inc.
New York

General Counsel

LAWRENCE MCDANIEL
Paul Brown Building
St. Louis, Mo.

Washington Counsel

R. PRESTON SHEALEY
Colorado Building
Washington, D. C.

EXECUTIVE OFFICES 1218 OLIVE STREET ST. LOUIS, MISSOURI

*In addition to the Officers and the General Manager-Treasurer.

The CREDIT WORLD

(Registered U. S. Patent Office.)
Official Magazine of the NATIONAL RETAIL CREDIT ASSOCIATION

November, 1935 Vol. XXIV No. 2

EDITORIAL AND EXECUTIVE OFFICES
1218 Olive Street St. Louis, Missouri

L. S. CROWDER.....Editor
DANIEL J. HANNEFIN.....Managing Editor
ARTHUR H. HERT.....Research Director

G. F. O'CONNELL.....Circulation Manager
M. E. RIORDAN.....Advertising Manager
R. PRESTON SHEALEY.....Washington Representative

Advertising Representatives

THOMAS W. FARRELL.....180 N. Michigan Ave., Chicago
WILLIAM J. DELANEY, INC.....420 Lexington Ave., New York

CONTENTS

Editorial Comment	2
1,008 Active New Accounts Through an Employees' Contest	4
Rental Delinquencies Reduced from 33% to Less Than 5%!	7
September Trends—A Fast-Reading Review	8
This Grocer's Credit Sales Were 76% of 1934 Volume!	10
Reports on Membership Drive Indicate Renewed Activity	13
The Credit Executive's Responsibility to the Credit Bureau	14
A "Workable" Bonus Plan for Managers of Credit Sales	15
Comparative Collection Percentages—September, 1935, Versus September, 1934	16
"Bad-Check" Passers Shun Cleveland!	18
Your Washington News Bulletin	19
Credit News Flashes—Personal and Otherwise	20
Courage Is Needed—As Well as Caution!	22
"As the Twig Is Bent—"	24
The Slumbering Giant Awakens!	26
A Definite Credit Policy—Community or Individual—Pays Dividends	27
Credit Department Letters	28
Collection Agencies Most Effective in Early Stages of Delinquency	30

CHANGE OF ADDRESS: Please notify us promptly of any change of address so that you may not miss any issues. With your new address it is absolutely necessary that you also send us your old one. Entered as second-class matter at the Post Office at St. Louis, Mo., under the Act of March 3, 1879. Published Monthly. Subscription, \$2.00 a year, to members of the National Retail Credit Association only.

This publication carries authoritative notices and articles in regard to the activities of the National Retail Credit Association.



In all other respects the Association cannot be responsible for the contents thereof or for the statements or opinions of writers.

Copyright, 1935, by National Retail Credit Association

YOU'LL LIKE This Better-Easier Way of Filing!



THE GREATEST improvement in filing equipment and methods in twenty-five years is now ready. Super-Filer—the Mechanized File—opens the way to unheard of economies in filing departments. Four simple, easy steps to file or find a letter in place of eight time-taking operations cut 25% from file operating costs. Super-Filer's greater filing capacity means a corresponding saving in floor space and 10% reduction in initial cost.

Here are savings that never fail to interest business men. Super-Filer is now being demonstrated at our show rooms. Drop in and let us show you how Super-Filer's mechanized features make these savings possible.



Super-Filer
THE MECHANIZED FILE

The General Fireproofing Co.

Youngstown, Ohio

BRANCHES IN PRINCIPAL CITIES

EDITORIAL COMMENT

By DANIEL J. HANNEFIN

"Am I My Brother's Keeper?"

EVERY man," said Theodore Roosevelt, "owes a part of his time and money to the development of the industry in which he is engaged." Altruistic? Perhaps it is, but don't overlook the inescapable fact that even from a selfish standpoint it's good business advice!

For, as an industry (or a profession) succeeds and develops so will its members benefit and prosper—in equal measure. And that's as true for the retail credit granter—and the credit bureau executive—as it is for anyone.

You are a member of the National Retail Credit Association—you have access to the latest developments in credit methods and control. You are probably doing a good job and, realizing it, are satisfied. But what about those outside the fold—those who are extending credit haphazardly, using unsound methods or *no method at all*?

You can't say their methods are no concern of yours or that you are not your "brother's keeper" because—their customers are your customers and how they handle their charge accounts has a direct bearing on the final outcome of your accounts with those same customers!

For instance: Your customers all buy groceries, fuel, milk and other dairy products—probably on credit. Many, perhaps, bought them on credit long before they opened a charge account with you.

You may not realize it but your success—or lack of it—with these accounts has depended in some degree on the early credit training of these customers at the hands of the grocer, the milk man, and the coal man.

If they sold the customer on a "pay-as-you-please" basis, the burden of credit-education has been yours. On the other hand, if these men on the frontiers of retail credit were themselves "credit-minded" and insisted on proper standards for credit and on "payment when due," your problems were made just that much easier.

But how many in these classifications—and similar ones—are credit-minded? How many of them have had the credit training and the benefits of association with other credit granters such as you have?

In the United States alone (figures for Canada are not available), there are 244,457 retail grocers, 17,355 creameries and dairies, and 45,460 retail coal dealers. How many of them are members of this association? Comparatively, just a handful from each group.

How many of them are members of your local association? How many of them sit in at local meetings when your delinquent accounts are being discussed? You know the answer!

And yet these men—because they are in the "front line" of retail credit—could give you information about some of your accounts that would open your eyes! (Likewise about some of your "skips.")

They, in their turn, would also benefit by the interchange of ideas locally and by the access to up-to-date information on credit methods and practice which membership in the National Association—and The CREDIT WORLD—would afford them. Of this we have ample proof:

Elsewhere in this issue is an article describing how L. V. Eberhard, a grocer in Grand Rapids, Mich., did a credit and delivery business last year, of \$226,179.47—over 76 per cent of his total volume—with credit losses of only $\frac{45}{100}$ of 1 per cent. And this in an age when "cash-and-carry" is being preached as the grocer's only salvation!

Read that article—the description of his credit and collection methods—and especially what he says about National membership advantages.

Speaking of local meetings, Harry C. Voss, Credit Manager of the Council Bluffs Coal & Ice Co., and President of the Retail Credit Association of Council Bluffs, told the Nebraska State Credit Convention last year:

I go to the hotel one noon each week and there I meet other credit men and women—men and women facing exactly the same problems that I am facing, and solving them.

At this meeting, I hear discussed the names of accounts on which I am in need of information. . . . There is a general discussion of credit problems and ideas. . . . Here I find just the idea I need to perfect that new system we were discussing

Last, but not least, Arthur J. Kramer, Credit Manager of Borden's Farm Products Company, Inc., New York City, and Second Vice-President of the National Retail Credit Association, has an article in this issue, on the credit needs of the dairy industry, which needs no comment.

Proper credit control is an issue today in all fields of retailing. The misuse of credit in one line of retailing may affect the ultimate profits of all retailers. Let's realize this and try to enlist all classes of credit-granting retailers and make our Association truly NATIONAL.



You wouldn't cultivate a garden WITH A STEAM SHOVEL

High-pressure collection tactics *may* get results, but they sometimes uproot your usually good customers who, for some reason or another, have allowed their accounts to become overdue.

You can retain their loyalty and start them buying again, by showing them how to pay off their indebtedness conveniently and economically through Morris Plan.

Many retail merchants are profiting by this plan today—both in money and good will. Credit men find Morris Plan's quarter century of experience useful in avoiding any semblance of "collection methods".

Ask or write your local Morris Plan institution (or the Association) for full details.



MORRIS PLAN BANKERS ASSOCIATION

with which is affiliated the Industrial Bankers Association, Inc.

800 EAST MAIN STREET • RICHMOND, VIRGINIA

This series of advertisements is sponsored by Morris Plan institutions in the following cities:

AKRON, OHIO
ARDMORE, OKLA.
ASHEVILLE, N. C.
ATLANTA, GEORGIA
AUBURN, N. Y.
BALTIMORE, MARYLAND
BARTLESVILLE, OKLA.
BINGHAMTON, N. Y.
BOSTON, MASS.
BRIDGEPORT, CONN.
BROCKTON, MASS.
BUFFALO, NEW YORK
BURLINGTON, N. C.
CEDAR RAPIDS, IOWA
CHATTANOOGA, TENN.
CINCINNATI, OHIO
CLEVELAND, OHIO

DALLAS, TEXAS
DAVENPORT, IOWA
DAYTON, OHIO
DENVER, COLORADO
DES MOINES, IOWA
DULUTH, MINNESOTA
DURHAM, N. C.
FALL RIVER, MASS.
FORT WAYNE, IND.
FORT WORTH, TEXAS
HARTFORD, CONN.
HOLYOKE, MASS.
KANSAS CITY, MO.
KNOXVILLE, TENN.
LAWRENCE, MASS.
LEWISTON, MAINE
LOUISVILLE, KY.

MALDEN, MASS.
MIAMI, FLORIDA
MINNEAPOLIS, MINN.
NEW BEDFORD, MASS.
NEW HAVEN, CONN.
NEWPORT, R. I.
NEWPORT NEWS, VA.
NEW YORK, N. Y.
NORFOLK, VIRGINIA
OAKLAND, CAL.
OKLAHOMA CITY, OKLA.
ORLANDO, FLORIDA
PAWTUCKET, R. I.
PETERSBURG, VIRGINIA
PHILADELPHIA, PA.
PHOENIX, ARIZONA
PORTLAND, MAINE

PROVIDENCE, R. I.
RICHMOND, VIRGINIA
ROANOKE, VIRGINIA
ROCHESTER, N. Y.
ST. PAUL, MINN.
SAN ANTONIO, TEXAS
SAN FRANCISCO, CAL.
SAVANNAH, GEORGIA
SCHENECTADY, N. Y.
SHAWNEE, OKLA.
SPRINGFIELD, MASS.
STOCKTON, CAL.
SYRACUSE, N. Y.
TAMPA, FLORIDA
TERRE HAUTE, IND.
TOLEDO, OHIO
TOPEKA, KANSAS

TUCSON, ARIZONA
TULSA, OKLA.
UTICA, NEW YORK
WASHINGTON, D. C.
WATERBURY, CONN.
WATERLOO, IOWA
WESTERLY, R. I.
WEST WARWICK, R. I.
WICHITA, KANSAS
WILMINGTON, DEL.
WILMINGTON, N. C.
WINSTON-SALEM, N. C.
WOONSOCKET, R. I.
WORCESTER, MASS.
YONKERS, N. Y.
YORK, PENNSYLVANIA

1008 Active New Accounts Through an Employees' Contest!

By AUGUST C. WEHL
Credit Manager, Gimbel Brothers, Milwaukee, Wis.

INCREASED CREDIT SALES THROUGH CHARGE ACCOUNT PROMOTION

THE average salesperson carries on from day to day not realizing some of the potential possibilities within reach, particularly the opportunities for converting customers whom they have been selling for cash into regular charge customers. Selling a customer the convenience of a charge account brings the individual into closer contact with the store and incidentally increases credit sales.

So, in line with our program of charge sales promotion, we inaugurated last February a sixty-day contest between store employees, for new charge accounts. A plan was carefully arranged for two separate and distinct classes of employees: Regular store employees, and warehouse and shipping room employees. The drive started February 11 and ended April 13.

Plan Explained at Meetings

A special meeting of buyers and assistants was called, the plan was fully explained and their cooperation requested. Then a store-wide meeting of all employees was held where the plan was announced and presented in detail.

GIMBEL BROTHERS
MILWAUKEE, WIS.

①

Dear Customers:

If we do not have the pleasure of serving you as a charge customer, we most cordially invite you to open an account with us. We know you will enjoy the many advantages and privileges we are able to offer, and you will appreciate the greater ease and facility in shopping a charge account at Gimbel's affords. We are ready and happy to serve you. The entire organization is yours to command.

SPECIAL

For two months beginning February 11th and ending April 13th any employee of Gimbel Brothers is authorized to take your application. Ask any one.

Very Sincerely,
GIMBEL BROTHERS, INC.

Printed Letter Inserted in all Packages

Members of the Credit Department who had direct contact with the public were not permitted to participate in the contest. A printed form (Figure 1) inviting customers who did not have a charge account to come in and apply, was inserted in all packages. This form explained that any employee was authorized to take their applications.

A bulletin (text of which follows) was issued in advance with full details of the plan, compensation, prizes, where to secure application blanks and suggestions how to proceed:

The Bulletin:

GIMBEL BROTHERS NEW ACCOUNT CAMPAIGN

Effective February 11, and continuing for sixty days, or until April 13, we offer this very unusual opportunity to add extra money to your regular income.

All employees of Gimbel Brothers can take a part in this campaign. It will enable them to make friends and customers for Gimbel Brothers, and also profit by it.

HERE'S HOW!

For every new charge account opened which becomes active within 90 days, 50c will be paid.

(Continued on page 6.)

SPECIAL CONTEST CREDIT APPLICATION NO. 5422	EMPLOYEE STUB NO. 5422
APPLICANT'S NAME _____ ADDRESS _____ OCCUPATION _____ BUSINESS ADDRESS _____ REFERENCES _____ SPECIAL INFORMATION _____ TAKEN BY _____ HOUSE NO. _____ DATE _____ APPLICANT'S SIGNATURE _____ RETURN TO CREDIT DEPT	APPLICANT'S NAME _____ ADDRESS _____ <div style="text-align: center; font-size: 2em;">②</div> DATE _____ KEEP THIS.

Special Application Forms Supplied to all Employees

Improved Business Activity Means

An Increased Use of Credit and the Opening of New Accounts

To provide proper service for customers and at the same time protect yourselves against credit losses, prompt and accurate information on all applications is necessary

TELAUTOGRAPHS

(USED FROM COAST TO COAST BY PROGRESSIVE BUREAUS)

Secure—with safety—credit reports—clearances—in a few moments and transmit—accurately—all credit data in indelible handwriting from your bureau. In addition, Telaarographs create a 40 per cent saving in clerical expense.

To obtain these advantages, 27 bureaus and 152 stores now use our service. During October, one more credit bureau and four additional stores adopted Telaarograph connections—viz., Long Beach, Calif., Bureau—Sears, Roebuck & Co., Long Beach, Calif.—The Emporium, San Francisco, Calif.—The A. De Pinna Co., Inc., New York City—and Dunlap Clothes Shop, Cincinnati, Ohio.

Telaarographs completely modernize the old methods of handling credit data and permit you to write over wires direct to the bureau, without the applicant's knowledge, and secure a reply, in indelible handwriting, giving you the information desired. References, trade clearances, reports, etc., are cleared in this manner, in a few minutes' time.

Thus, you are protected against unnecessary credit losses by obtaining promptly, complete information before passing on credits, and the customer, unaware that his credit status is being checked, is pleased with the courteous and immediate service he is receiving. When customers are accorded such treatment, they naturally are more inclined to increase their purchases at your store.

Outside messenger service is reduced or eliminated.

Inasmuch as only one person is required to send telaarograph messages, the time of the person whose duty it now is to receive the messages may be devoted to other work, because regardless of whether the person at the other end of the line is "in" or not, the telaarograph message appears instantaneously at his receiving station and is there waiting for him when he does come to his office.

Errors, with their consequent losses to the stores, are prevented by the clerk's knowledge that an indelible handwritten record is sent to all stations connected and that if an error does occur, these facsimile records are undeniable evidence as to who is at fault. Furthermore, all the time now spent in checking such errors or misunderstandings is saved.

Gossip is entirely eliminated, and the reports contain more complete information.

Telaarographs Cost About \$1.00 Per Day for Each Store

Send for Our Man Now!! No Obligation—of Course

TELAUTOGRAPH CORPORATION

FACTORY AND GENERAL OFFICES: 16 WEST SIXTY-FIRST ST., NEW YORK, N. Y.

1008 Active New Accounts Through an Employee's Contest

(Continued from page 4.)

To the person who has secured the *largest* number of *active* new accounts, \$15 will be paid.

To the person who has secured the *second largest* number of *active* new accounts, \$10 will be paid.

To the person who has secured the *third largest* number of *active* new accounts, \$5 will be paid.

Special credit application blanks will be used, and will be available in all departments. They may also be secured from the Credit Department, Supervisors, and Department Managers.

Every application must give *complete* information, and be *signed* by the applicant.

If the applicant is contacted in the store, and it is convenient, take him to the Credit Department where the application will be taken, and you will receive the credit. Do not antagonize the applicant by insisting that he go to the Credit Department. If he objects take the application yourself. Give all credit applications when received to the Credit Department, Supervisors, or Department Managers *each* day. If you need help or advice on any of the above matters, consult with the Superintendent's Office, Credit Department, or Advertising Department.

Every employee will be a promotion ambassador for the store. The field is unlimited—friends, relatives, cash and C.O.D. customers, lay-away customers—these are all good prospects.

Members of the Credit Office, who take credit applications, will *not* participate in this campaign.

The Delivery Department will *not* participate in the *Store Prizes*, but will have an individual prize of their own.

What a splendid opportunity to help yourself and the store you represent!

Application cards were distributed to department managers, floormen, and supervisors. On the opening day of the contest, a pep meeting was held and employees were instructed where to secure application cards, how to approach a customer, what information was required and a general appeal was made for cooperation. The same procedure followed at the Warehouse and Shipping Room. As the drive proceeded a bulletin was issued every two weeks showing the standing of the participants, the general progress being made and further instructions.

As application cards were received by the Credit Office they were checked with our master file and a teletype copy was transmitted to the Credit Bureau. Arrangements were made through the Bureau and in our office to give these applications preferred attention.

Where the application was approved the customer was promptly notified that the account was open for her convenience, etc. Where the application was rejected, nothing further was done about it. (We had very few cases where customers inquired at all and these were disposed of very easily and without any ill-feeling.) Under the plan as outlined the drive was for 60 days allowing 30 days extra for activity (of accounts), in order to be equally fair to those employees who submitted applications during the latter part of the contest.

The results as per audit made May 14, 1935, follow:

Total applications received	1,922
Less those that had accounts	175
	1,747
Total applications approved	1,420
Total applications declined—(18.74%)	327
Number of accounts active—(70.91%)	1,008
Total purchases	\$19,458.36
Average purchase per account	19.30
Cost per application accepted	1.10

Cost includes: Bureau rating, bonus, prize money, and extra help.

Thirty per cent of store employees participated.

Since this audit was made many of the remaining accounts have become active and numerous letters have been received from customers for whom accounts were opened telling us how they appreciated the service.

And the firm was extremely pleased with the results of this promotion!

"Monthly Payment" Plan for Auto Repairs

In 1930, after we had all become reconciled to the fact that there was a depression, we discovered that there was a type of business that our regular monthly charge accounts were not set up to handle. There were a number of customers who had allowed certain repairs to be neglected, because of shortage of money, until their cars had reached a point where it was necessary to have major repair work done that would amount to a considerable sum. Consequently, we instituted a monthly payment plan for handling major repairs.

We required on these major repairs a down payment of at least 20 per cent of the total amount of the work, and financed the balance on monthly notes of not less than \$10.00 per month. For this service we made a service charge of \$1.00 per month and cancelled the charge on any account paid up within sixty days.

As security for these notes, we took a chattel mortgage on the car which was being repaired. This chattel mortgage was more for the psychological effect on the customer than for security, as we have never, since we instituted this plan, resorted to the rights of our chattel mortgage to enforce the collection of our notes.

In using this monthly payment plan, we also used individual notes which the customer signed for each monthly payment. We used the individual note plan again primarily because of the psychological effect on the buyer. Individual monthly notes impressed upon him that he had a definite instrument to be paid each month and when it was paid he would receive the return of this particular, specific and definite promise to pay.

We realize that the expense of handling individual notes is a little greater than handling a single contract with monthly payments, but we are fully convinced that the additional cost is more than justified by the effect that the signing of individual notes has upon the buyers.

Our experience on these monthly payment accounts we must say has been entirely satisfactory, and we are today still soliciting monthly payment contracts on major overhaul work.

—C. RAY COOK,

Credit Manager, Edwards Motor Company,
Milwaukee, Wis.

Rental Delinquencies Reduced

From 33% to Less Than 5%!

The following letter from B. F. Phelps, Credit Manager, Shryock Realty Company, Kansas City, Mo., needs no explanation:

I have noticed from time to time, with a great deal of interest, letters and collection hints contained in *THE CREDIT WORLD*. It is a pleasure to be able to contribute, according to your request to exchange ideas, and you will find enclosed several of our form letters and inserts that are used in the collection department of our business.

Our company is one of the largest operators of apartment buildings and houses in Kansas City, having under our management somewhat over two thousand units. Naturally, our procedure is somewhat different (in many ways) from that of the ordinary mercantile store.

We have an established rule that it is made plain to the prospective tenant that rent is due and payable in advance and, unless there is a good, substantial reason (such as sickness or death), no tenant is carried through the current month. We have found if a tenant cannot pay one month's rent, it is an established fact he cannot pay two.

We have been a great booster for the local Retail Credit Association, as well as the National Retail Credit Association, and do not accept a tenant in our apartment buildings or houses until his or her credit is thoroughly checked by a credit report through our local bureau.

We have been members of the local association since June 21, 1934, and are glad to report that, through their

assistance in obtaining reports on our prospective tenants—weeding out the bad pay and accepting only the tenants who pay their bills—we were able to reduce our delinquency from 33 per cent in June, 1934, to less than 5 per cent within five months, and we have not exceeded that arraerage from that time on, even though our current month closes on the twentieth of each month rather than on the last as is the practice in many other firms. *We have reduced our losses to practically nil.*

We are, therefore, pleased to give credit to the help we have received by being a member of the National Retail Credit Association, and I hope that our experience will help to bring others in the fold so they may obtain the many advantages they are unable to receive outside.

EXPLANATION OF FORMS AND PROCEDURE

Rental Application (Figure 1).

Statement (not shown) sent on fifth of every month.

Insert (Figure 2) used with statements or letters.

Six form letters from "mild" to "strong" sent every five days as case may require, or according to tenant's established paying ability.

Good paying tenants are sent only a reminder, statement or mild letter.

Medium paying tenants are sent a little stronger letter, and the chronic slow-paying tenants are sent the strong letters that insist on immediate payment according to terms.

(EDITOR'S NOTE: Although Mr. Phelps sent a number of excellent letters, only one, Figure 3, is shown here due to lack of space.)

SHRYOCK REALTY COMPANY
111 WEST 10th STREET PHONE HARRISON 14

1 APPLICATION FOR RENTAL UNIT

NAME _____ Date _____
(On full, not tentative only)

MOVING FROM _____ How long there? _____

WHY MOVING? _____

PRESENT LANDLORD'S NAME _____

ADDRESS _____ Phone _____

EMPLOYED BY (firm) _____

ADDRESS _____ Phone _____

FAMILY CONSISTS OF: _____

CHARGE ACCOUNTS: _____

PERSONAL REFERENCES: (not employers or relatives) _____

AGREEMENT

Lessee agrees to give one month's notice, in writing, from next rent paying date, should lessee desire to vacate the apartment. (The law requires this notice and it is the only way to end tenant's liability for rent.) Lessee further agrees to return the apartment with the furnishings and fixtures in as good condition as at present, ordinary wear and tear excepted. Lessee shall be in no way responsible for any property of Lessee that may be placed in the demised premises, or in the locker room. Lessee accepts this agreement, subject to Lessor's rules and regulations.

ACCEPTED:

Tenant's Signature

Shryock Realty Co.

(Over)

SHRYOCK REALTY COMPANY
REAL ESTATE RENTALS INSURANCE
109 111 WEST TENTH STREET
KANSAS CITY, MISSOURI

2

Prompt Payment
of rent when due, assures your landlord of an income with which to render better service, and enables you to establish a good paying record which is the basis of all credit

from
SHRYOCKS
MANAGERS

3

According to our records your rent is past due and remains unpaid. If check has been mailed, advise us, otherwise, please make prompt remittance.

When you apply for credit, whether it be for furniture, gas, lights, phone or loan, the firm has a right to know how you meet your obligations. Your rent and groceries stand at the top of the list.

No matter where you live, make it easy for your rental agent to report that you pay promptly.

Yours very truly,

SHRYOCK REALTY COMPANY,

By
B. F. Phelps, Credit Manager

September Trends - - A Fast-Reading Review

... A Nation-wide cross section of facts and opinions on retail collections and credit sales for September, 1935, as compared with September, 1934, compiled by Research Division - - National Retail Credit Association ...

COLLECTIONS and credit sales continued to improve during September in practically all cities reporting to the Research Division; however, collections in several cities did not keep pace with credit sales.

Collections among the regular residential customers in Augusta, Me., equalled those of last year but transients

the FHA and some house repairing and improvements are noted. The lumber and supply companies reported some increase in credit sales but the retail district reports sales about equal to 1934.

Manchester, N. H., reported collections slow, with a decrease of 10 per cent under September, 1934. Approximately 9,000 textile workers are unemployed due to the Amoskeag Mills closing down indefinitely. However, leading stores report a good early fall season. The shoe industry is in excellent shape which has helped to absorb some of the textile loss.

Collections in Erie, Pa., show an increase of 1 per cent over September, 1934. This figure is 3.5 per cent less than August, 1935, due to the fact that in February and September of each year collections reach the lowest point in the Erie area. . . . Increased operations in steel mills and a consequent decrease in unemployment have given retail business a general stimulus resulting in a 7 per cent increase in credit sales in Pittsburgh.

Clarksburg, W. Va., reported an increase of 12 per cent in credit sales for September and the outlook for 1936, and the balance of this year, is favorable due to all plants operating (with the exception of coal mines).

Credit sales in Jacksonville, Fla., were accelerated noticeably due to the President's announcement of a \$5,000,000 allotment for the Florida cross-state ship channel—a \$146,000,000 project when completed.

Emporia, Kan., reported an increase of 10 per cent in collections due to a number of very old accounts being paid voluntarily. At the same time, credit sales increased 15 per cent, principally in installment sales. Unseasonably warm weather during the last three weeks of September retarded sales in men's and women's clothing. Unusual activity in all lines was noticed during the first week in September.

Kansas City, Mo., also reported that unseasonable weather seemed to retard buying, but a pick-up was noticed during the latter part of September. . . . St. Louis reported an increase in collections of 2 per cent. There was practically no change indicated in credit sales. Some

High-Lights for September

62 Cities reporting.
19,079 Retail stores represented.

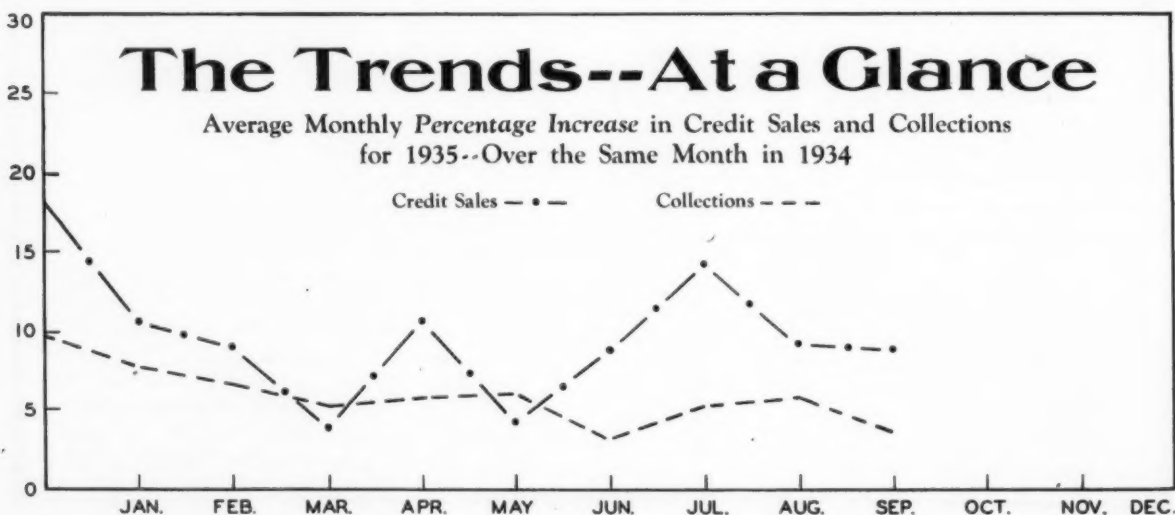
COLLECTIONS

42 Cities reported increases.
3.9% Was the average increase for all cities.
30.0% Was the greatest increase (Muncie, Ind.).
10 Cities reported no change.
10 Cities reported decreases.
10.0% Was the greatest decrease (Manchester, N. H.).

CREDIT SALES

45 Cities reported increases.
8.5% Was the average increase for all cities.
40.0% Was the greatest increase (Muncie, Ind.).
14 Cities reported no change.
3 Cities reported decreases.
5.0% Was the greatest decrease (Victoria, B. C., Canada).

coming into the area to be employed for ERA and FERA work were discharged after a short period of employment, causing some slowness to appear. On the other hand, all factories are operating, although the wage scale has been lowered in some instances. Advantage is being taken of



This Grocer's Credit Sales Were 76% Of 1934 Volume!



CREDIT-AND-DELIVERY is the most profitable part of my business," says Mr. L. V. Eberhard, owner and manager of Eberhard's Foods, Grand Rapids, Michigan, who backs up his statement with facts from his carefully kept records.

These records show that his average cash and carry sale amounts to 50c and that it costs 6c to handle this transaction. His records also show that his average credit and delivery order of \$1.00 is twice the amount of his average cash-and-carry sale but—to handle such a transaction it costs him only 7c. Included in this figure are items of expense for office, clerk salaries and delivery.

Mr. Eberhard's successful credit and delivery business is due to good management based on the facts which he gets from an accurate, daily account-control system—plus adherence to sound credit principles.

"Credit sales at Eberhard's Foods for 1934," we quote, "were \$226,179.47—76 per cent of the total sales volume—with credit losses of only $\frac{45}{100}$ of 1 per cent. (Cash-and-carry sales were \$68,676.88.)"

Eberhard's cash-and-carry business is profitable, but his credit-and-delivery business is much more profitable. The reason for this is that he has developed a method which requires a minimum of time and effort to fill an order which comes over the telephone from a "charge" customer.

By comparison it takes considerably more time to serve a cash customer who makes her own selections in the store. Time is pay roll. And pay roll is the biggest item of expense in a food market. By saving time, pay roll is saved.

"Even if this is true," you may say, "how does Eberhard prevent heavy losses from unpaid accounts?"

To prevent credit losses and make prompt collections a certainty, Mr. Eberhard does these seven things:

1. Carefully selects his accounts and checks them up through his local credit association.
2. Has a definite understanding with each customer, confirmed in writing, about—
 - a. The amount that can be charged during any period over which an account is to remain open.
 - b. The dates on which payments are to be made, with the understanding that if payment is not re-

Credit Sales, \$226,179.47

versus

Cash Sales, \$68,676.88

Credit Losses, 45 100 of 1%!

ceived within two or three days thereafter, no further credit will be extended.

3. Uses a credit-and-delivery control system which:
 - a. Provides a printed record on original and duplicate order slip showing the date, amount of purchase, old and new balance.
 - b. Prints the date, amount of credit, old and new balance, on both slips when customer makes payment on account or receives credit for merchandise returned.

How Mr. Eberhard's Credit & Delivery System Works



c. Forces, at the same time, an accurate record to be made of the charge or credit.

4. Rigidly checks up every Monday night, without fail, all accounts.

5. Assembles all monthly statements and closes books on the evening of the last day of the month, so that statement can be mailed to reach the customer's home the first of the month.

6. Personally checks every account about which there is any question.

7. Does not hesitate to apply pressure through local credit association, or otherwise, to get payment of delinquent accounts.

Enough time and care are taken at Eberhard's to make sure that the original record of every customer's order is correct.

This original record:

1. Eliminates mistakes and inaccuracies which lead to disputes, disagreements, dissatisfaction and loss of customers.

2. Determines the quality of the service which the store can give, because the customer must be confident that she—

a. Will get everything she orders.

b. Will have a slip upon which everything she ordered can be checked item by item.

c. Is not being overcharged.

d. Will know how her account stands—daily.

e. Can see how her account stands at the office without delay should she come into the store.

3. Enables Mr. Eberhard to know the standing of every account, at any time, so he can control these accounts by knowing *who is delinquent, for how much and how long.*

4. Protects his 1,100 accounts from the weaknesses of human nature.

5. Provides a fast system because it requires a minimum of writing and other physical labor.

"Quotes" - -

"Average cash-and-carry sale is 50 cents—handling cost 6 cents. Average credit-and-delivery order is twice that amount (\$1.00) but—the handling cost is only 7 cents."

"To prevent credit losses and assure prompt collections"—read the "7-point" program on opposite page.

"We consider membership in the National Retail Credit Association of great value for retail grocers—"

6. Assures him that—

a. Each item which leaves the store is properly charged to the customer.

b. Nothing goes to the delivery platform before it has been printed with posting machine figures which certify that the account is open.

Every Monday Night a Trial Balance of All Charge Accounts Is Taken

"It pays to check all accounts weekly in order to locate any errors which may have occurred on any account during the week," says Mr. Eberhard.



Cashier's office adjoining Order Department where duplicate order slips are certified on a National Posting Machine and the original slip is filed with the customer's account card.

Only about one hour each Monday evening is required to get a complete check-up of all accounts. This weekly check-up assures him that complaints will be kept to a minimum.

Account Card, Customer's Statement, and Trial Balance Posted in One Operation

At the end of the month the account collection card (*shown on next page*) is posted to show totals of debits and credits for the month. As this is done, the customer's statement is printed with the balance due, and figures are recorded inside the National Posting Machine for the monthly trial balance of all accounts.

"So little time is required to get this proof of accuracy of posting," says Mr. Eberhard, "that we have never failed to have statements in the hands of the customers on the first of the month."

Collection Procedure

Holding credit losses on a grocery volume of credit sales as large as that of Eberhard's Foods to *less than 1/2 of 1 per cent* is not just an accident. It is the result of thoroughgoing credit methods and a carefully planned collection follow-up.

Nor is the fact that Mr. Eberhard is a member of the National Retail Credit Association a mere coincidence. For, in writing of this, he says:

"We consider membership in the National Retail Credit Association of great value for retail grocers. In addition to its other advantages, it makes available The

CREDIT WORLD and the 'Blue Book of Credit and Collection Letters,' both of which are invaluable in the extending of credit and keeping credit losses to a minimum."

ACCOUNTS RECEIVABLE						ACCT. NO. 914
NAME Richard T. Morgan		TERMS				
ADD. 265 Cherry Drive		WEEKLY				
ADD.		MONTHLY X				
DATE	MEMO.	DEBIT	CREDIT	BALANCE	SYM.	
3-30-35				28.42		
4-9-35			28.42	0.00		
4-30-35				40.95		
5-7-35			25.00	15.95		
5-31-35				39.05		
6-7-35			39.05	0.00		

13					
24					
25					
26					

EBERHARD'S GROCERY
GRAND RAPIDS, MICH.

Collection control account card—size 5 x 8 inches. It has spaces for a twenty-month record. Reverse side of the card gives all credit data about the customer.

The collection formula follows:

Terms: Accounts are due on the 5th of month following purchase.

Statements are sent out on the last day of each month, so as to be in the hands of the customers on the first of each month.

If an account is not paid according to terms, a duplicate statement is sent out on the 15th of the month. If still unpaid, a personal call is made (by telephone) on the 25th of the month.

Next a notice card is sent with the second statement (sent the first of the second month following purchase). Finally, the account is closed if not paid by the tenth of that month.

Two of the card notices used are reproduced below. Note in each the clear-cut insistence on adherence to terms—on payment in full for each month's purchases by the fifth of the following month. (See Figures 1 and 2.)

①

"For many years, when opening charge accounts and when rendering bills, we have stipulated that payment should be made in full, by the 5th of the month, for purchases of the preceding month.

The enclosed bill, showing an unpaid balance from the preceding month, may have escaped your usual prompt attention and for this reason we are calling it to your notice.

If we are in error in any way, we shall be glad to have you advise us.

We thank you for your patronage which is very much appreciated."

EBERHARD'S FOODS

IN MEMORIAM

Sam Hymes

Sam Hymes, who was a director of the National Retail Credit Association in 1918, died at his home in Dallas, Texas, October 20. For more than 40 years he had been engaged in retail business in Dallas.

Until his retirement a few years ago, he was credit manager of Titcher-Goettinger Co., and previously had been with Sanger Bros. for 14 years.

F. Bruce Blakemore

F. Bruce Blakemore, Secretary and Treasurer of the Business Men's Credit Bureau, Canton, Ohio, died at his home in Canton, October 26, after a lingering illness. Surviving him are his widow, two daughters and a son.

He had been the active executive head of the Canton Credit Bureau for 16 years and was always an enthusiastic supporter of the National Association.

J. Harry Tregoe

J. Harry Tregoe, well known to all credit granters, in the retail field as well as his own (wholesale), died in Chicago, October 4, while on a lecture tour. He was one of the founders of the National Association of Credit Men in 1896, being elected one of its first directors. He served as vice-president in 1901 and as president in 1902-03.

From 1912 to 1927 he was executive head of the Association, first as secretary and later as executive manager. Since that time he has lectured extensively on credit topics.

EBERHARD'S FOODS
1142 WEALTHY ST., S. E. GRAND RAPIDS, MICH.
ACCOUNTS ARE DUE IN FULL ON OR BEFORE THE 5TH OF THE MONTH FOLLOWING PURCHASE

Richard T. Morgan
265 Cherry Drive
Grand Rapids, Mich.

5-31-35 BALANCE DUE → \$ 39.05

This statement reaches the customer on the first day of the month. Name and address are typed some time before the end of the month. Balance printed by National Posting Machine when monthly trial balance is taken.

EBERHARD'S FOODS
1142-1510 Wealthy St., S. E. Six Phones 9-5145
Good Foods at Low Cost

②

Our Terms

A Charge Account is a monthly Shopping Convenience Payable in Full by the 5th of Each Following Month. Your co-operation in maintaining these terms is solicited. Your past balance is shown in this statement.

JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC

May we hear from you promptly

Balance due _____

Reports on Membership Drive Indicate Renewed Activity

NOW that vacations are over, reports from all sections indicate renewed activity and interest in connection with membership work. The campaign of the Birmingham (Ala-

of Collection Percentages—Departments of The CREDIT WORLD which have been added since the Memphis (June, 1934) Convention.

Expressions are to the effect that any one of these



Charter Members—National Boosters Since 1912!

This photograph shows charter members of the National Association who attended the Rochester Convention. Standing (left to right): M. G. Liberman, Secretary, Merchants Credit Association, Memphis, Tenn.; Max Meyer, Manager, Nebraska Credit Company, Lincoln, Neb.; C. W. Hurley, Manager, Retail Credit Exchange, Inc., Houston, Tex.

Seated (left to right): James Wilson, Credit Manager, Denholm & McKay Company, Worcester, Mass.; George Fairley, Secretary-Manager, Duluth (Minn.) Retail Credit Association; S. L. Gilfillan, Secretary, Minneapolis (Minn.) Credit Exchange, Inc. (first president of the Association); F. T. Leonard, Credit Manager, The Daniels & Fisher Stores Co., Denver (first treasurer); and Wm. J. Starr, Secretary, Retail Credit Men's Association, Boston, Mass.

bama) Association is in full swing and new members are being reported daily to the National Office.

It has been my privilege recently to visit the following cities: Chicago, Cleveland, New York; Boston, Lawrence and Lynn, Massachusetts; Camden, New Jersey; Philadelphia, Harrisburg, Reading and Allentown, Pennsylvania; and Hartford, Connecticut. In all of these cities, the outlook for building membership is very encouraging.

Officers of the several local associations promise 100 per cent cooperation; based on my contacts and the enthusiastic meetings held in five of the cities (and attended by more than four hundred), it is my opinion that the States of New York, Massachusetts, Pennsylvania and New Jersey will make excellent headway along membership lines.

Members expressed themselves as highly pleased with the progress now being made by the National, with the results shown by our Research Division and the practical articles now appearing in The CREDIT WORLD. Also, with the Credit Letters, Credit Sales and Collection Trends, and the table

departments is alone worth many times the annual membership dues, not taking into consideration the many constructive and instructive articles appearing in The CREDIT WORLD, as the Legislative, Community Credit Policy, and other activities of the National Association.

It has been suggested that our goal be set for 25,000 members by 1940, which is not impossible. In fact, we shall have no difficulty in attaining it if each loyal member who realizes the benefits to be had from National membership will do his (or her) part.

Will you write me that we may count on you, and in your letter outline a few of the benefits you have received from your membership in the National?

Do it Now, Please!

L. Shouder

The Credit Executive's Responsibility To the Credit Bureau

By WILLIAM W. WEIR

Credit Sales Manager, The May Company, Los Angeles, Calif.

SO MUCH has been written about cooperation between bureaus, that we wonder how many credit managers have brought their thinking down to the realization that a merchant-owned credit reporting agency is an auxiliary of their own credit departments—that actually THEY are the bureau? As credit executives, we all know how easy it is for us to consider ourselves a thing apart, and find fault with the incompleteness of reports and the dispatch with which out-of-town reports are rendered. A bureau can submit a report completely and quickly ONLY if its members cooperate, and when we criticize a bureau, we are also criticizing its merchant-members.

As an auxiliary of our own credit departments, we demand prompt service from our bureaus. We not only owe them equally prompt replies, but accurate complete information, sound constructive criticism and LOYALTY. All this can be summed up under that one much-used word, "cooperation," but don't forget, it is the member-to-bureau cooperation that accomplishes most in the long run.

A successful bureau manager or secretary develops and encourages this cooperation, and naturally expects other bureau managers to exert every effort toward the same end. Since all bureaus are, to a large extent, dependent upon the efficient and accurate operation of each other, he also encourages harmonious inter-bureau relations in order that his membership may be served adequately.

If our credit departments offer the excuse that they are too busy to return trade clearances promptly, they are slowing down the activities of their bureaus, and many times this is the cause for delayed inter-bureau reporting. If they fail to give correct information concerning a customer's transactions with their store, again they subject their bureau to criticism.

A recent survey made by the Retail Merchants Credit Association of Los Angeles revealed that various methods of reporting trade are used by bureaus throughout the country. Some report "satisfactory," "slow," or "good," as a paying method; some never indicate the amount owing or the period for which owing; and still others fail to show the date opened or the time of last purchase.

After this survey was completed, the Executive Committee met and agreed upon a uniform method of reporting trade to the Los Angeles bureau. It was decided that a trade clearance should include the following information:

The type of account, that is, department store, shoe, grocery, drug, etc.; the date on which the account was

first opened; the highest amount of *paid* credit; the amount owing; the amount past due; for what month the amount is owing; manner of paying; the date of last purchase; and the date on which the clearance was submitted.



William W. Weir

Considerable discussion was had concerning the definition of "high credit" and it was agreed that "high credit" actually means the highest PAID credit. In other words, a customer may have a 30-60 day rating on a high PAID credit of \$35.00, this being the highest amount paid during any one month. Until a higher credit, say \$80.00, is paid in full, there is no way of determining that the 30-60 day rating will apply on that amount. Therefore, should a customer having a former high credit of \$35.00 make purchases totaling \$80.00, the clearance would read:

Type	Op'd	HPC	Owes	PD	For	Pays	LP	Cleared
Dept.	1927	\$35	\$80		Oct.	30-60	10-35	10-29-35

If the \$80.00 is paid within 60 days, future clearances will show a high credit of \$80.00, paying 30-60 days. If it is not paid until 90 days, the rating will be 30-90 instead of the 30-60 that would have been reported had the \$80.00 been given as the high credit before the account had been settled. In many instances the amount owing will exceed the amount of highest PAID credit.

Care should be taken in reporting the manner of paying. If a purchase of \$15.00 is made in January, \$20.00 in February, \$25.00 in March and \$5.00 in April, and the account is paid in full in May, the account would carry a 1-4 months' rating. In other words, it took 4 months to pay the January account, but only 1 month to pay the April account. If a four months' rating were given, it would be assumed that the account was never liquidated before the four months' period, when, as a matter of fact, the paying manner is 30-60-90-and 120 days.

Another point brought out during this meeting was the misleading trade clearance which simply states "too new to rate." While it is true that a new account has not established a paying record, every other item of the trade clearance should be given, particularly the amount owing and for what month. If a "too new to rate" clearance is submitted, the interested firm is not informed of the real status of the account, and may extend further credit to a customer who is not entitled to it.

Trade information is one of the most important parts of a credit report, and a bureau can include in its report only the actual figures received from its members; therefore "member-to-bureau" cooperation must be stepped

(Continued on page 32.)

A "Workable" Bonus Plan For Managers of Credit Sales

By DEAN ASHBY

Manager of Credit Sales, M. L. Parker Company, Davenport, Iowa

IF YOU are to be *truly* a Manager of Credit Sales, then you should give some thought to your right to receive a reasonable bonus or commission on the increased business you can produce through the sales effort put forth through your department. This recognition of your ability must necessarily be based *not only on increased credit sales* but also on your ability to get the proper turnover on your outstanding accounts and produce a favorable collection percentage.

And I say here that, through experience, it has been found that by increasing your charge volume, through proper promotion of more business with each good active account, you will immediately reflect a higher collection percentage, because of the high type of customer you are dealing with!

Last year I made considerable inquiry as to bonus plans that might be used and found no credit man (where I made inquiry) who had a practical plan to submit or suggestion of a plan known to have been tried and proved satisfactory. Not being satisfied with the information available in planning a bonus for the Manager of Credit Sales, we developed the plan which follows and put it into practice at our store.

I am pleased to submit this information as being a workable plan, *having been tried during 1934*, giving recognition to the credit man as a sales promoter and collector combined. The following is the basis on which such a bonus may be planned:

The Charge Sales quota for each month of the fiscal year shall be the total Actual Charge Sales for the corresponding month of the previous year.

The Collection Percentage quota for Regular (Monthly) Open Accounts shall be—per cent. (This percentage to be based on a reasonable average of collection percentages from past experiences.)

The Collection Percentage quota for Contract Accounts (time payment accounts) shall be—per cent. (This percentage to be based on a reasonable average of collection percentage from past experiences.)

A bonus will be paid on Increased Charge Sales *over quota* at the rate of $\frac{1}{10}$ of 1 per cent.

A bonus will be paid on Increased Collection Percentages at the rate of 5 per cent of the Sales Bonus for each 1 per cent of the collection percentage *in excess* of collection quota.

The Planned Charge Sales quota for the fiscal year of 1935 shall be \$— (an amount based on reasonable increase over last year).

A bonus of 1 per cent will be paid on the total Charge Sales for fiscal year *in excess* of Planned Charge Sales quota.

Let's take a hypothetical example:

1935 Total Charge Sales	---	\$750,000.00	
1934 " " "	---	600,000.00	
1935 Increase	-----	150,000.00	
Sales Bonus: $\frac{1}{10}$ of 1 per cent of Increase	-----		\$150.00
Regular accounts:			
1935 Collection percentage	---	55.00%	
Quota	-----	45.00%	
1935 Increase	-----	10.00%	
Collection Bonus—5 per cent for each 1 per cent of Collection percentage in excess of the Quota or 50 per cent of Sales Bonus	-----		75.00
Contract Accounts:			
1935 Collection percentage	---	18.00%	
Quota	-----	14.00%	
1935 Increase	-----	4.00%	
Collection Bonus—20 per cent of Sales Bonus	-----		30.00
1935 Total Charge Sales	---	750,000.00	
Planned Charge Sales Quota for fiscal year 1935	---	725,000.00	
1935 Increase over Planned Sales	-----	25,000.00	
1 per cent Bonus on Increase over Planned Sales	-----		250.00
Total Bonus for 1935	-----		505.00

Genius is only the power of making continuous efforts. The line between failure and success is so fine that we scarcely know when we pass it—so fine that we are often on the line and do not know it. How many of you have thrown up your hands at a time when a little more effort, a little more patience, would have achieved the point you were endeavoring to gain?

In trying to build up an extensive credit volume for your store, sometimes prospects may seem darkest when really they are at the turning point. A little more persistence, a little more effort, and what seemed hopeless failure may turn into a gloriously successful venture. There is no failure except in no longer trying. There is no defeat except from within, no really insurmountable barrier save our own inherent weakness of purpose.

Miami Elects New Officers

Newly elected officers of the Retail Credit Association of Miami (Fla.) are:

T. H. Tumlin, Stembler-Adams-Frazier Insurance Company, President; H. M. Bucks, City Ice & Fuel Company, Vice-President; and C. P. Younts, Frank T. Budge Company, Secretary-Treasurer.

"Bad-Check" Passers Shun Cleveland!

Time was when Cleveland was pretty fair picking for professional check workers—not the best, understand, but not the worst either.

If your story was good and you watched your step, you could pick up a nice roll on a Saturday afternoon and be out of town before anybody woke up. If somebody did raise an eyebrow in the middle of your story, it wasn't hard to walk out on him, make another couple of tries for luck, and then blow.

And even if you got snagged, Cleveland had a smooth attorney or two who knew just whom to talk with, just how many times a given piece of foreclosed property could be put up for bond. A few hours in jail is all part of the risk of doing business. And in Cleveland after a few hours you ought to be out on bond—and on your way.

That was back in the early nineteen-twenties.

But today? The city is poison, friend! Give it a wide pass.

For a while in the late twenties, you had a fairly even gamble of getting in, taking the town, and getting out. If you got caught, you still had an even break. But today? Well! Your chances of getting in are better than your chances of getting out. Check workers are better picking for Cleveland than Cleveland is for check workers.

THE history of the rise and fall of check operations in Cleveland follows step by step that of the organization of the Protective Division of the Retail Merchants Board. It started in 1922 as the part-time effort of some of the Retail Merchants Board staff with the part-time assistance of an attorney. When a check worker became too noticeable in his or her operations, somebody phoned the central office, somebody phoned a warning, and sometimes somebody caught somebody. Once caught, the attorney was fairly good at seeing that a case was made and the offender sent up—if he or she were still in jail. Those were busy days and you couldn't always find all the time it took to outsmart the crook.

Then in the latter part of 1929 the whole Protective Division set-up was revised. A full-time man was engaged, offices were set up, personnel trained, and the business of going after crooks started in earnest.

How is it done?

Mainly by having somebody on the job constantly—by training the people in the stores to give checks and their presenters closer scrutiny and to phone the central office when in doubt—by maintaining records that are models for completeness—by faster action when a suspicious case arises—and by watching every move of every-one apprehended.

First, a word about the records kept in the Protective Division. These consist principally of a file containing the names, descriptions, and methods of operations of everyone who has ever been known or suspected to have operated in Cleveland and other cities. In addition there are handwriting specimens and sample checks (either in the original or photostatic copies and photographs). These records are as accurate and complete as it is possible to make them.

A Threefold Warning System

Then there is the warning system. When a call comes in from a member store that Mr. X is there with a check or a story that doesn't quite measure up, it is a minute's work to check the files. If these files turn up certain information, the suspect is detained and a trained man is rushed to the store to question him. The rest is fairly simple.

If the files do not disclose sufficiently definite data to make detention safe, the store usually refuses the check. Then the warning system goes into operation—the fast, emergency warning system. Because, actually, there are three principal types of warning service.

One service, the slowest, is a weekly list of check operations for which members ought to be on the alert. The second, more rapid, is a mimeographed card which is sent out by messenger. These mimeographed card warnings go out by messengers who make a trip through all the downtown stores every two hours as part of the service of the Credit Bureau which operates in affiliation with the Retail Merchants Board.

But the fast, emergency warning service is flashed by telephone! Within five minutes after the central office receives word of a check worker operating in the downtown area, every store in the area knows that he is at work, what he looks like, what sort of check he is presenting and what his story is.

From then on, the rest is routine. If he appears in a store after the warning is out, his apprehension is swift and sure. The store stalls him off, phones the central office, receives advice as to whether or not to detain him.

The "Forgery Clinic"

In this work, the Protective Division is assisted by an organization which is believed to be unique. Known as the "Forgery Clinic," it has in its membership everyone in the Cleveland area who is interested in cutting down check losses of the community. The members include officials of the detective and police forces of Cleveland and all its neighboring communities, federal government operatives, the men in charge of safety work in local banks, the detectives of local railroads, hotels, express companies, utilities, and private detective agencies.

Between these various members there is a continual exchange of information, all of which goes into the Protective Division files. These connections even make available to the files warnings and information from all over the United States so that, not infrequently, the details about a given crook who is working from city to city are known long before he arrives in Cleveland.

How the System Works

Just to show how the system functions, there is the story of three professional check men who arrived in Cleveland one Friday to get set for a big Saturday clean-up. They registered at three different hotels, each outfitted with beautifully prepared pay roll checks.

(Continued on page 25.)

Your Washington News Bulletin

By R. PRESTON SHEALEY

Washington Counsel, National Retail Credit Association
Colorado Building, Washington, D. C.



FOREWORD

INDIRECTION sometimes accomplishes results where direct action fails. The National Retail Credit Association has been trying for some years, with partial success, to have all government departments adopt uniform regulations concerning debts of government employees but the Rochester Convention resolution sponsoring a Federal garnishment law of Federal employees' salaries may have played an effective part in bringing about adoption of uniform regulations by Executive Order.

Some say it is this "big stick" which has brought about recent conferences of government officers in Washington on this subject. Anyway, the movement to have uniform regulations concerning debts of Federal employees seems to be advancing, though those skeptically minded will doubt whether anything short of a Federal garnishment law will adequately solve the problem.

LEGISLATIVE

Maryland Legislator Proposes Credit Curtailment

Washington's next-door neighbor, Baltimore, has a state senator who has just announced that he intends to introduce a bill in the coming Maryland Legislature which will provide that no husband will be responsible for his wife's debts *unless he o.k.'s the credit extended her*. The legislator says that it is intended to place a curb on extravagant wives.

Indiana Installment Sales Act Unconstitutional

The Indiana Retail Installment Sales Act was declared unconstitutional on October 14, 1935. This Act fixed and determined minimum and maximum finance charges for classified retail installment sales.

If it is finally sustained, this law may be far-reaching in its effect. The state and national implications which brought about its original enactment by the Indiana Legislature seem to indicate a trend *which it may pay the retail credit manager, as well as the store owner, to carefully study*.

DEPARTMENTAL

Federal Credit Unions Increasing

Federal credit unions (Act of June 26, 1934) are coming along. The first charter was granted October 1, 1934, and on September 1, 1935, Charter No. 617 was granted. Federal credit unions now exist in thirty-nine (39) states and the District of Columbia but statistics are not available as to the relative rate of progress in chartering under Federal or State laws. There are likewise no available statistics for losses but it

is said that some state credit unions fifteen years or more old have shown a ratio of loss to be much less than 1 per cent. Common operation by members is said to be in part responsible for this low loss ratio. Nevertheless, credit unions would seem to need bureau reports.

COURT DECISIONS

Bankruptcy Preferences

Arising through a Massachusetts state court decision, the U. S. Supreme Court has granted a *certiorari* petition in *Palmer Clay Products Co. v. Brown*, bringing up for determination several important bankruptcy preference questions. These questions, as stated by the state court in its decision, are (1) Whether the preferential character of a transfer of property is to be determined as of the date of the actual transfer, or as of some future time, such as the date of the filing of the bankruptcy petition, and (2) the rule for determining whether the alleged preferred creditor has received a greater percentage of his debt than other creditors of the same class.

Another Bankruptcy Preference

Another question of preference in a writ allowed (*Bronx Brass Foundry v. Irving Trust Co., Trustee*) will be answered when the Supreme Court decides this question: "Is a part payment of a debt made while the debtor is a going concern, preferential, if, at the time of payment, the assets of the debtor are sufficient to pay all other creditors of the same class an equal or greater percentage of their debt?"

Membership Blank

National Retail Credit Association
1218 Olive St., St. Louis, Mo.

I hereby apply for one year's membership in your Association, subject to acceptance by you and by your recognized unit in this locality. I enclose \$5.00 which I understand entitles me to all the privileges of membership, including a year's subscription to "The Credit World."

Name.....

Title.....

Firm.....

Address.....

City..... State.....

Recommended By.....

Credit News Flashes--

Personal and Otherwise

Salem, Oregon, Celebration

Recently John N. Keeler, Secretary, and 16 other members of the Portland (Ore.) Retail Credit Association journeyed to Salem, Oregon, where the Association Trophy (for the association with largest membership in proportion to its population) awarded at the National Convention last June, was presented to the Salem Retail Credit Association.

The presentation was made by Mr. Keeler, and the response by L. R. Schoettler, Manager of the Salem Retail Credit Bureau. The meeting was an enthusiastic one, fifty local members being present.

President Driver and O. L. Pfau Address Pittsburgh Election Meeting

President Giles C. Driver and O. L. Pfau (Youngstown, O.) were the guest speakers at the first fall meeting of the Retail Credit Men's Association, Pittsburgh, Pa., October 14. At the annual election, held at this meeting, the following were elected: President, W. G. Taylor, The White Motor; Vice-President, H. C. Engel, McCreery & Company; Second Vice-President, C. G. Kaessner, Kaufman's; Third Vice-President, A. C. Dunn, Frank & Seder, Inc.; Secretary, C. Guy Ferguson, The Credit Bureau, Inc.; Treasurer, Franklin Blackstone, Frank & Seder, Inc.

Directors: C. W. Orwig, Commonwealth Trust Co.; R. W. Sloan, Reymer & Brothers, Inc.; J. L. Gillespie, The J. L. Gillespie Co.; and Mrs. A. R. Royce, Shields Shoppe.

A resolution, unanimously adopted at the meeting, provides for a study, on a state-wide basis, of "charging interest on overdue regular monthly accounts."

William M. Ewing, for the past seven years General Credit Manager of the Neusteter Co., Denver, has resigned to become Credit Manager of the McDougall-Southwick store in Seattle.

Minneapolis Association Elects

At its annual meeting, the Minneapolis Retail Credit Association elected the following officers: Thomas Johnson, Credit Manager, Powers Mercantile Company, president; H. P. Meder, N. W. National Bank & Trust Co., vice-president; Miss Pearl M. Evans, Napier's Booterie, treasurer; and S. L. Gilfillan, secretary of the Minneapolis Credit Exchange, secretary.

Frank L. Parker, Vice-President and General Manager, Merchants Credit Bureau, Detroit, personalizes his weekly bulletins by addressographing each member's name and address on the front cover. Mailed in window envelopes, they require no further addressing.

New York's Annual Dinner Dance

The annual dinner dance of the Associated Retail Credit Men of New York City, Inc., held at the Waldorf-Astoria, October 19, was such a success that many members have suggested that it be held every month instead of annually.

William Armstrong, Chairman of the Entertainment Committee, is being highly complimented on the fine program.

Birmingham Circular Cites 15 Advantages of National and Local Membership

The Associated Retail Credit Managers of Birmingham, in a mimeographed circular (one page, 8½ x 14 inches) itemizes 15 advantages of membership in the local and National Associations. Lack of space prevents reproducing it here but we will be glad to send copies to any local association interested in membership-building material.

"Very Good Results With N. R. C. A. Inactive Account Stickers," Says Louis Selig

"We use these N. R. C. A. inactive stickers on our inactive statements each month and have had very good results," Louis Selig, Credit Manager-Controller of Rosenfield Dry Goods Co., Baton Rouge, La., told the Department Store Group Conference at the National Convention in Rochester.

Why don't you give them a trial? Catch inactive accounts early—before they "drift."

Three Stickers in the Series

Use them on statements showing no purchases during the month. Printed in one color (maroon) on white gummed paper.

Price, \$2.00 per 1,000. Order from your credit bureau or the National Office.

You Don't Owe Us a Cent!

Yes! We've noticed it and we hope you will use your charge account this month.

Your Patronage Is Appreciated!

© 1934, N. R. C. A.

Your Account Is Balanced!

This is just a reminder that we missed you last month.

Use Your Charge Account!

© 1934, N. R. C. A.

We Missed You Last Month!

Anything wrong? If so, please give us a chance to correct it.

We Value Your Patronage!

© 1934, N. R. C. A.

Lincoln's Annual Election

The Lincoln (Neb.) Retail Credit Association, on October 8, elected the following officers for the ensuing year:

Floyd A. Schultz, President; L. A. Crandall, Vice-President; C. W. Hyland, Secretary-Treasurer; and C. D. Husted, H. S. Oxley, and G. D. Pegler, directors.

The National Works for You

For members who ask: "What does the National Retail Credit Association do for me?"—here are some of the answers:

The "National" is composed of some 15,000 men and women engaged in the granting of retail credit in the United States and Canada. Its main purpose is educational. Through *The CREDIT WORLD*, the only known magazine devoted exclusively to retail credit, these many thousands of people receive enlightening data, every month, on various phases of their work.

Cleveland has over 500 members in the National Association. The *CREDIT WORLD* comes to their desks each month and is well worth the \$5.00 cost of National membership.

This city was honored last Sunday by a visit from General Manager-Treasurer L. S. Crowder, who spent the entire day in conference with G. C. Driver of the May Company, National President, and J. G. Ost of Cowell & Hubbard Co., Chairman of the National's finance committee.

Plans formulated at this conference not only affect the country at large but bear directly upon many of Cleveland's credit problems.—*Credit Bulletin*, Oct. 17, 1935.

Annual Conference of Kansas Credit Bureaus

The Kansas Associated Credit Bureaus held their annual conference in Wichita, October 20, 21, and 22. J. G. McBride of Wichita, National Director and President of the Seventh District, reports an enthusiastic meeting, with a unique program and "high-calibre" speakers.



The Oklahoma City Credit Women's Breakfast Club at First Annual Picnic

Positions Wanted

CREDIT AND COLLECTION MANAGER—Fifteen years' experience as retail credit manager and department head of credit bureau. Age 40, married. Excellent references as to character and ability. Box 111, *CREDIT WORLD*.

CREDIT AND COLLECTION MANAGER—Wholesale and retail, 20 years' experience, wishes position with department store or other large business in retail field. First-class references. Box 112, *CREDIT WORLD*.

CREDIT AND COLLECTION MANAGER—Age 31, married. Varied experience. Seven years in retail credit work. Can give excellent references as to character and ability. Box 113, *CREDIT WORLD*.

WIDE EXPERIENCE in retail credit and time-payment field qualifies me to develop your credit department on a profitable basis. Thoroughly familiar with FHA financing, collection and banking procedure. Employed at present and will locate anywhere. Box 114, *CREDIT WORLD*.

The annual convention of Nebraska credit managers and bureau managers will be held in Columbus, Neb., November 17, 18, and 19.

The Associated Credit Bureaus of Missouri held a three-day meeting in Sedalia (Mo.), October 27, 28, and 29. "Twenty-five cities were represented," reports A. J. Kruse, Secretary of the Associated Retail Credit Men of St. Louis, "and the program was an excellent one." Frank Caldwell of N. C. C. R. C. conducted the "School Day" program.

The Credit Women's Clubs throughout the country continue to forge ahead! The Baton Rouge (La.) club celebrated its first birthday with a supper, October 16. The Northwest Council of Credit Women's Clubs is conducting credit-education classes. The Portland (Ore.) club reports the marriage, October 8, of its president, Miss (formerly) Mabell Doupe, to Stuart S. Bliss, past-president of the Portland Retail Credit Association. (A "Credit Union," so to speak!)



Courage Is Needed-- As Well as Caution!

By JOHN R. CLARK

Manager of Credit Sales, Monnig's, Fort Worth, Texas

IN THE CREDIT WORLD, in the early part of this year, there were published opinions from credit managers throughout the country, as to "the most important retail credit problem for 1935." Many commentators contended that extreme caution should be observed in the reopening of accounts which have been too slow. On the other hand, an equal number said we should have courage in dealing with those who have been down and out, giving every possible chance for reinstatement of their once good credit rating.

Despite the diversity of opinions advanced, I believe the majority of those outstanding credit executives will agree that *both courage and caution* must be observed if a credit department is to maintain its proper balance. In my opinion one is just as important as the other. A liberal policy of extending credit, backed up by a consistent collection policy, should bring about the desired balance.

The wide-awake credit man is indeed fortunate in having opened to him an avenue of real opportunity. Charge account promotions are now generally conceded as affording real opportunities for every credit executive who wishes to make the most of his job. At the National Convention in Memphis in 1934, it was voted that the title of credit manager should be changed to *Manager of Credit Sales*. Such action on the part of our National Association shows clearly what is expected of the credit manager of today.

Have courage to change your credit policy if such is needed. Every credit man points with pride to a high percentage of collection turnover. He is particularly pleased when this good showing can be accomplished with a reasonably low expense in his collection department.

Also, at the end of the year, he finds it indeed gratifying to be able to show his superior a profit-and-loss figure lower than the average. Such achievements certainly do not simply happen; they are brought about by much hard work and planning and are indeed worthy of commendation. In checking over these wonderful results, however, the chief executive of his firm will question if his credit man has kept in mind his responsibility of increasing sales volume. This thought will run through his mind, "Has our Credit Manager been penny-wise and pound-foolish?"

Such questions may never be asked, for, in the final analysis, it is up to the credit manager to maintain the proper balance in his own department. I shall not attempt to tell you any definite rule as to where the line should be drawn between courage and caution, for such advice would subject me to much criticism and rightfully so, as there is no definite formula. Every store has its own peculiarities as to policy and, after all, we do

not dare wander too far away from such a policy, regardless of our own ideals.

I will say, however, regarding a store's credit policy, changes are needed as times change our economic order. In keeping with these changes, a credit man should have the courage to bring about a change in policy when he feels such is needed. His proposed changes should be carefully weighed before finally submitted in order that he will have the courage to fight for what he wants in case his superior does not immediately agree.

There are many ways in which we can cooperate in the credit department to promote business and good will if we will only visualize and have courage to experiment. The word experiment here does not mean wild speculation, but simply try-out plans of promotion that seem reasonably sound, such as: Employees "New Account" contests, extending invitations to newcomers to open charge accounts and various other methods of securing new charge customers. The most important of all is to keep alive your inactive accounts, as you have spent money getting them on your books and they are certainly potential customers.

Every progressive store realizes there is a certain amount of volume to be had through its credit department. If the credit man does not devise methods of promoting this anticipated business, someone else in the organization with little or no credit knowledge will have his say.

Much comment has been made about the errors in over-extending credit in the years prior to 1930 and 1931 which resulted in tremendous credit losses. Advice has been given as to how we should profit from these mistakes. I agree that we should profit by our experiences and not allow them to pass without giving serious thought to those "P. & L's." which were the results of actual mistakes.

I do not agree, however, that we should tighten down too drastically any more than those who lost heavily on real estate should discontinue such investments or those who lost their life's savings in bank failures should bury their money in the back yard! There are thousands of inactive charge accounts which were once very profitable investments among our accounts receivables. Many of these accounts are just as good now and should be invited back.

When a merchant enters business he usually requires some borrowed capital. If he has sufficient cash to show his own faith in the project and has a reputation for fair dealing a good banker or wholesaler will extend a line of credit commensurate with his investment. Should we,

as retail credit men, not have the courage to help the individual who wishes to rehabilitate himself? Many good people who have been without work are now being employed. Success in their new positions often depends on appearance, although circumstances over which they had no control may have ruined their credit ratings. Should they not be given the same chance as the merchant entering business?

The individual has his experience and willingness to match the credit he is asking for. Has he not ample equity to warrant consideration? We must have the courage to assist these unfortunate people.

The analysis of a credit report today is most important and often quite difficult. Frequently we are unable to glance over a bureau report and immediately say "Yes" or "No." Many reports do not give sufficient information on which one can make an immediate decision. For instance, you may have reports on two credit applicants which read exactly alike. Both applicants have been very slow in meeting obligations.

The reason for slowness in each case, however, is entirely different. Regular employment has been enjoyed by each applicant. But the first has had several salary cuts and has only recently had a partial restoration of income while the second's salary has been practically the same all along but he has used the depression as an excuse for his slowness in meeting obligations.

With a verification of such facts before you, the action to be taken in each instance is obvious. Often, however, it is difficult to obtain this complete information. In many instances, it is necessary to rely upon the word of the applicant, particularly where his employer is reluctant to give salary information. So, in many instances, we must have courage and confidence rather than turn away that which may result in a profitable account.

Have courage to help young people to establish credit. The line of least resistance is to sell only those people who have established ratings; yet every one has to have his first charge account *somewhere*. A young man or woman with steady and permanent income is entitled to his first chance. It behooves us to cater to the young people as many of them will be our most profitable customers in years to come.

Alert buyers and department managers have come to the realization that the credit department can be of material assistance in the planning of special sales events. This is particularly true on items sold on the installment plan. Requests for concessions on terms during special sales of rugs, silverware, etc., are frequently made. Often such requests are out of line. Before refusing them, however, we should weigh them carefully and make sure there isn't a possible alternate plan. While the compromised plan may not always please the department head, it will at least serve as proof of your willingness to cooperate.

While you may have only one executive to whom you are directly responsible, you have others in your organization, whose cooperation is of value to you. So, you should convince them of your keen desire to cooperate with them in promoting volume. Still, you should be firm and have the courage to say "No," when a sales plan endangers the structure of your credit policy. Here is where both courage and caution are essential—particularly when "the boss" has taken sides against you.

There are two departments in an organization which should work closely together. Instead of the advertising or sales promotion manager having a feeling that the credit department is holding down sales volume he should be made to feel that the credit manager is always anxious to cooperate wherever possible.

I am glad to say that a most perfect understanding exists between our own advertising manager and myself and I am confident our firm has greatly benefited through our friendship and eagerness to cooperate with each other. It is, of course, impossible to grant every request made by the advertising man but, if patience is exercised in teaching him your problems, there should be no friction.

We, as credit men, have our choice of two roads. We can, perhaps, be reasonably secure in our jobs by simply confining our efforts to holding down losses and building up collections. On the other hand, we can greatly increase the importance of our work by giving more time and thought to the building of charge business. The latter route will surely convince the managements of our respective firms that their credit departments are no longer non-selling divisions but departments truly responsible for a large portion of their volume.

Two Books You Should Have

Credit Department Salesmanship

By Bartlett and Reed

Authors of "Retail Credit Practice"

A complete and authoritative manual on such important topics as:

Use of selling psychology in credit work; use of sales promotion to build up more charge accounts for the store; use of letters for both collection and sales building; use of the newest methods of handling the installment credit problem.

These are but a few of the topics covered with specific suggestions—"case-studies"—from successful experience. Designated as official textbook for the Advanced Credit Course.

PRICE \$3.50

Retail Credit Practice

By Bartlett & Reed

A practical, authoritative manual for retail store credit executives and students of credit practices. Official Textbook of N. R. C. A. Courses.

PRICE \$4.00

Order From

**NATIONAL RETAIL CREDIT
ASSOCIATION**

Executive Offices, St. Louis, Mo.



"As the Twig Is Bent..."

By DILL A. HILDEN

Credit Manager, Ewald Bros. Sanitary Dairy, Minneapolis, Minn.

EDITOR'S NOTE: This article is as timely as when submitted (last June), as the classes are continuing through the current school year.

FORTY young heads bent over notebooks and flying pencils. Forty young minds learning the A B C's of the credit world. Forty classes in Community Life Problems to hear, on the following day, reports from their representatives who visited the Minneapolis Credit Service Exchange. Forty homes to which would come a son or daughter with a new understanding of his or her parents' responsibilities, a new realization of the meaning of the word *credit*!

All because on that gray, late-spring afternoon the Retail Credit Association of Minneapolis was playing host for the last time of the school year to a group of ninth-grade students from the Minneapolis public schools.

It was the sixth time such a group had met in the little room next to the main office of the Credit Exchange and listened to Mr. S. L. Gilfillan, dean of credit men, local and national, lecture on the subject of retail credit. (And this fall other groups grown out of arithmetic and geography into C. L. P. classes are taking their turns as guests of the Retail Credit Exchange at its offices in the Palace Building on Nicollet Avenue.)

When the Educational Committee of the Association, under the leadership of Mr. V. P. Chamberlain, embarked upon its 1934-1935 winter program its members decided that the youth of today, the *bill-payers* and *"charge-it-pleasers"* of tomorrow, offered the most strategic point against which to direct their campaign.

With the cooperation of Mr. C. C. Minty, member of the School Board serving in the capacity of Director of Student Tours, a program was planned. Its benefits were intended to reach 9,000 ninth-grade students, representing twelve junior and three senior high schools. The Association equipped a lecture room for its young visitors, prepared a pamphlet giving the historical setting of modern retail credit, and arranged for Mr. Gilfillan to speak to the students, when in their studies in C. L. P. classes a trip to the Credit Exchange should be helpful and effective.

The meeting at which I was a guest—and a privileged one, being allowed a seat in the coveted back row—was typical of the ones which had preceded it throughout last winter. The forty pupils who filled the lecture room to overflowing were chosen from C. L. P. classes in the various schools—one or two from a class—to represent their groups and to bring back to their classes, the following day, reports of their visit. Hence the busy pencils.

They weren't merely passive listeners, who might "wool-gather" or listen as they pleased. They came as messengers, bringing the spirit of eagerness and willingness to learn, and seeking a message to carry back to their fellow-students. And they got it!

"Credit is the giving of a commodity or service in exchange for something of the same value to be returned at some future specified date."

With this definition of credit forming the corner stone of his talk, Mr. Gilfillan built for his listeners a solid structure of fact and ideal, making the subject of credit appealing and interesting. He mentioned the five divisions of credit: banking, public, capital, commercial, and individual. He showed how credit has grown from the time our tribal forefathers traded a deer for a mess of fish—and the promise of more before the tenth sun after the new moon—until today, when 95 per cent of all business transacted is done on a credit basis.

"If we dispensed with credit," said Mr. Gilfillan, "we would turn the clock of business back a thousand years."

He went on to tell how modern credit has expanded from small beginnings, until the expediences of our ancestors, groping for freedom from the primary wants of food and clothing and shelter, have become a present-day business-within-business, a science and an art. He emphasized the need of educating the people of a community to the value of a good credit rating, and explained the means by which the Credit Bureau obtains the information it dispenses to its members. He dealt with the "three C's" of credit granting: *Character, Capacity and Capital*.

It was indicative of our present thinking that the emphasis was placed upon *character*. "Not what you have but what you are—this must be the keynote of business and personal success." Those students realized that fully, I'm sure, as they wandered through the offices of the Credit Exchange after the lecture, examining the stacks of files with their 390,000 records; watching the busy reporters giving reports, checking on records, working on the information which was to go into the 1935 Yellow (Rating) Book.

"Gee," one young lad whispered in awe as he saw the contents of a file higher than his head. Doubtless it had never occurred to him or to the others that what Dad did with his pay-check was important to other people besides the family. There was a reason why the bicycle had been refused "until the bills are paid, Son"; a reason for the less expensive party dress because an infected tooth had necessitated a trip to the dentist last month.

"It's like making a promise, isn't it, when you get a charge account," another commented. Oh, they were groping in the right direction, those impressionable boys and girls, and suddenly it seemed like rather a fine thing the Association had done in bringing them here to give them a lesson in the laws of the business world. They were beginning to understand that not paying your bills is as wrong as breaking a date or cribbing in exams.

"How did you like your trip?" I asked the two girls who sat next to me during the lecture, as we filed out.

"Swell!" they responded with an eagerness which spoke as volubly as their word.

"Swell." Their English teacher would have been disappointed in them if she had heard. But remembering how expressive the word had been to ninth graders of a decade ago I knew the efforts of the Educational Committee would bear fruit. The lecture had made its impression. It had been "swell."

It was raining when we descended to the street again. Rain didn't bother exuberant youth. It leaped over puddles, paused to "window shop," to smile and giggle at the policeman on the corner. It forgot for the moment the privileges and responsibilities of charge accounts. But later it would remember. Rows of tall files. An office full of busy girls. The three C's of credit granting: *Capital, Capacity, and Character*. Not what you have, but what you are. . . .

STEPHEN H. TALKES

The sudden passing (October 22) of Stephen H. Talkes, Secretary-Treasurer of the Associated Retail Credit Men of Washington, D. C., brought bereavement to the whole retail credit fraternity.

For "Steve," as he was affectionately called by his many friends, was always in evidence



at National Conventions, always active in any movement for the betterment of credit conditions.

Of him it may truthfully be said: He "fought the good fight." He was a leader—in every meaning of the word—in every phase of life!

He was a director of the National Association and Chairman of the Service Department in 1926 and 1927. In 1927 and 1928, he was a member of the committee which met with Department of Commerce officials and negotiated for the conduct of the nationwide credit surveys—in 1933-34, of the National's Legislative Committee in the Capital—and, at various times, of other important committees.

Having served as a major in the Spanish-American War, he was buried in Arlington National Cemetery.

"Bad-Check" Passers Shun Cleveland

(Continued from page 18.)

They waited patiently for the banks to close on Saturday and then they went to work.

At about four o'clock Saturday afternoon, the credit manager of one downtown store phoned the Protective Division that he had just cashed a check that looked awfully good and which had been presented by a man who had excellent identifications. The check was drawn on a Chicago bank, was beautifully printed in the name of a Chicago car-loading concern. The identification included mail received at a local hotel on the stationery of the same car-loading concern plus a letter from the office of the Sheriff of Cook County, Illinois, bearing a photograph of the man presenting the check, and indicating that this man was a special deputy doing special work and that any favors done him would be appreciated by the same sheriff.

Since cashing the check, the credit manager in question had begun to be suspicious. Hence the phone call. Immediately, phones began to hum, with the fast emergency warning. Within five minutes three stores had phoned back saying that they had cashed similar checks on similar identification. At once, another phone warning was flashed asking for apprehension of the man presenting such and such check with the heretofore described identification.

Before all the calls had been made on the second round, word was received that two men were in the men's wear department of one store making a purchase and waiting for change from their check. Of course the change was held up and the Protective Division Manager dashed to the store in question. While he was on his way, another call came in that a man with this check and these papers was in that store too. So the Manager of the Retail Merchants Board made a quick run there.

In all, within fifteen minutes after the first phone call came to the central office, three men had been arrested. In their possession were three thousand dollars' worth of the bogus checks, considerable merchandise which they had already obtained, all the cash they had received in change, a 38-caliber revolver and other property.

An interesting side light which came out after their arrest was that while the two were waiting in the men's department one of them noticed the store's signal lights flashing. "I see your store signal system is working," he said to the clerk. "Yes," replied the clerk, "that call is for the house detective."

Under his breath, one of the men said to the other, "We'd better get out of here." "Oh, I don't think that means anything," his companion replied. A moment later, the Protective Division Manager stepped up and asked them to accompany him to the credit manager's office.

Two of these men, on investigation, turned out to be college men while the third was an ex-American League ball player of considerable fame. Two of them had had previous contact with police, one being mixed up in a \$30,000 bank job in Milwaukee. The third had associated with Chicago racketeers but had no police record.

All three now are doing time at Columbus.

That's why check workers who are wise stay away from Cleveland!



The Slumbering Giant Awakens!

By ARTHUR J. KRAMER

Credit Manager, Borden's Farm Products Co., Inc., New York City;
Second Vice-President, National Retail Credit Association

WHY so trite a title? you may ask. Simply because it best expresses what happened to the credit division of the Dairy Industry at the Rochester Convention in June. The credit executives of this great industry, for the first time in its history, took advantage of their opportunity to discuss *collectively* credit and collection problems as they applied to their business.

It may not be modesty to use superlatives in describing this conference, but to say only that it was successful would fall far short of the truth. Nor would it be just to those whose generous cooperation made it the success it was. The discussions which followed the presentation of every subject indicated an interest that must have been inspired.

The informality of the meeting drew points of view not possible under more formal proceedings, especially when competitors meet. I have never witnessed, in any group conference, such a whole-hearted desire to exchange ideas. Adjournment time came and was met with protests that the deliberations continue.

If space permitted, I would like, for the benefit of those of our industry who were not privileged to attend, to review the discussions. But that cannot be. It would exclude all else from this edition.

The Dairy Group Conference Program

This, however, was the program:

CREDIT—

1. Are applications requested on extensions beyond a week?
2. Methods of controlling extensions.
3. Extensions to old and new accounts.
4. Is there a trend toward weekly credit?
5. Are credit limits established?
6. Closing undesirable accounts.

COLLECTIONS—

1. Handling the delinquent active account.
2. Handling the inactive account with a balance due.
3. Handling good credit risks who are delinquent and stubborn.
4. Use of credit reports in collecting.
5. Form letters *vs.* dictated letters.
6. Locating skips.
7. Attorneys *vs.* collection agencies.
8. When to give an account out for collection.
9. Post-dated checks and notes as a substitute for promises.
10. Making allowances or compromises to assist collections.

ROUTEBOOKS—

1. Auditing and balancing.
2. Controlling short books.

3. Methods for handling relief accounts.
4. Billing of monthly accounts.
5. Correct names, addresses and directions.

ROUTEMAN—

1. Responsibility in collecting.
2. How far should he be depended upon to secure credit information?
3. Responsibility for overriding credit limits.

CREDIT BUREAU AND CREDIT REPORTS—

1. Credit Bureaus *vs.* Dairy Interchange Bureaus.
2. Should the bureau be cleared on all new accounts?
3. What amount should an account reach before requesting a Credit Report?

MISCELLANEOUS—

1. What is a normal credit loss, in percentage of sales value?
2. What is the normal number of days' sales to carry as outstanding?
3. Cooperation with Sales Department.
4. Cashing checks.
5. Adjusting disputes.
6. Charging interest on delinquent accounts.

Is the dairy industry interested in these topics? Would it have benefited you to have heard the ideas of practical credit men and women on these subjects? The answers were there, given by the credit executives of the leading dairy companies of the nation.

One very important thing in my opinion stood out far beyond all others. The progress that credit departments in our industry have made is startling and the accomplishments have been made mainly through the individual efforts of the men and women whose duty it has been to watch, direct and stimulate credit sales.

The enviable records shown at Rochester by representative companies have been attained through the labors of these individuals with hardly ever more than an exchange of thoughts locally. Methods varied widely but each was successful in its own way. What then could be the results if the cooperative spirit engendered at Rochester were continued? Future contacts would weld together the best of each method to form plans second to none for stimulating credit sales with a minimum of losses.

That is the picture I drew from our first conference. A group of thirty-five interested persons, forming the nucleus of an idea-exchanging body in an industry catering to every family in America, left Rochester greatly benefited and enriched.

(Continued on page 32.)

A Definite Credit Policy--Community Or Individual--Pays Dividends

By C. P. YOUNTS

Manager of Credit Sales, The Frank T. Budge Company (Hardware),
Miami, Fla.; President, Third District, N.R.C.A.

ONE of the greatest blessings, or one of the greatest curses—one of the most abused, yet one of the most appreciated courtesies of the day—a thing that can build, or a thing that can destroy—such is CREDIT! There are many individual viewpoints of credit and what it means and the following are some of these as shown by manner of payment of accounts:

1. As soon as merchandise is delivered.
2. Upon receipt of statement.
3. On the 10th of the month.
4. At their convenience—during the month.
5. When a second notice is sent.
6. When account is closed for additional purchases.
7. When suit is started.
8. When property is sold after judgment.
9. While some do not pay at all and never intended to pay!

All of the customers who fall in these classifications buy on credit, but each has a different conception of what the word means, or what is implied when they say "Charge it."

According to classification, they think of credit:

- 1 and 2—As a convenience and courtesy on the part of the merchant.
- 3 and 4—As a business proposition.
- 5—As for their convenience to pay as *they see fit*.
- 6—They must pay to keep the account open.
- 7—Do not want judgment awarded against them.
- 8—Because they must.

What the country needs is a clear understanding of what the merchant means when he agrees to open an account, first, by the merchant himself and second, by his customer, and then a realization that *this understanding must be kept to the letter*.

My definition of credit is this: When one opens an account at a store, the merchant says to him that he has deposited so much of his merchandise to the customer's credit, to be drawn as he directs, payable when statement is presented.

Statement sent on the first of the month is the merchant's notice of draft that there is a certain amount due according to terms of purchase, which unless otherwise agreed upon are: "Accounts payable on the first of the month, and past due after the 10th."

You ask how this condition is to be brought about.

The easiest way would be by a *Community Credit Policy*, in which the merchants would agree to a definite policy and then live up to it.

The one thing that has stood in the way of this has been the fact that merchants have not always played fair with their competitors. In olden times, before the introduction of the credit bureau, it was nothing unusual for a merchant to give a wrong report to his competitor who called for information:

When he had a bad account on his books he would report the party as O.K. so that the other fellow might

get "the same dose"; or, if it was a good account, to report that the party was slow pay, so that he would not be taken on by the other firm!

However, that has been done away with since the perfection of the credit bureaus of the country, especially when the information is asked for by the bureau and no names are given, and no one knows who is asking for the report.

If merchants would clear all their information through the credit bureaus and discontinue the policy of calling one another—if they would give to their bureaus every bit of information and activities shown on their ledger pages (such as slow accounts, those placed for collection, and charged to profit and loss)—there would be a perfect record for each merchant of the country.

While the Community Credit Policy would be the best way—it is not the only way:

If a few of the leading merchants, in any city, would get together and adopt such a policy, it would go a long way toward the solution of the problem. For the others would follow sooner or later. Such has been the experience in a number of cities throughout the United States since the National Retail Credit Association advised such a policy during 1934.

But it is even possible for *one firm* to adopt a real policy—a policy stipulating that accounts are due when statement is presented—and see that their customers live up to it.

The firm in which the writer holds the position of Credit Manager adopted such a policy years ago—accounts payable when due and notices being sent out as soon as the past due date was reached.

Yes, it did hurt the feeling of some customers, who thought they had a right to pay at the time that pleased them and who objected to the firm handling its own business in its own way. But it was not even 1 per cent who felt this way about the matter.

And most of the few have evidently seen the error of their ways for, at the present time, we do not know of a single customer who has stayed away for that reason.

What are the records? For the past four months, the number of applications for credit have been greater by 50 per cent than at any time since the boom period—more people have been using charge accounts, and our collection percentage has been higher than at any time in the history of the firm.

Really, the solution of the problem lies with the individual merchant of each city.

It has been the thought of a great many merchants that volume of business, regardless of profit or time of payment, was the thing for them to achieve, little realizing that there was no more profit in merchandise carried on the books than on that carried on the shelf, and that the deterioration was greater out of the store than when on their shelves.

Up-to-date merchants are now realizing that there should be a satisfactory profit on each sale, and that it

(Continued on page 31.)

CREDIT DEPARTMENT LETTERS

[[A New Department - - Devoted to Credit Sales Department]]
[[Correspondence - - Conducted by Daniel J. Hannefin]]

IN RECENT issues, we requested samples of letters and forms used by readers in various lines of business. The response has been very gratifying. (In addition to the letters and forms shown on the opposite page, please read those on page 7.)

The many letters received, when analyzed, follow practically the same lines as do those used by department and clothing stores; this would seem to bear out the contention that, basically, collection problems are the same in retail lines. After all, getting the money and at the same time retaining the good will of the customer is the common goal!

The florist's letter—*Figure 1*, opposite page—and the Shryock Realty letter on page 7, are exceptions in that each makes *specific application* to its particular line of business.

Read the second paragraph of Lang's letter: "We cannot afford to give longer terms because our greenhouse labor must have cash and our purchases also are on a strictly 30-day basis."

"No matter where you live," says the Shryock letter, "make it easy for your rental agent to report that you pay promptly."

The Lang letter (*Figure 1*) is one of a series of four which, says J. C. Walvoord, Secretary of the company, "We have been using with good success. We have had quite a few compliments accompanying checks in response to this letter."

B. F. Collins, Manager of Credit Sales of the Warner Hardware Company, wrote explaining *Figure 2*:

I do not have any form letters. Our method is to send out this *special notice* statement when the account has become 65 days old. It is filled in with the name and address in the top section, the amount and, in the space provided for that purpose, the months during which the purchases were made. These forms are mailed in open-face envelopes similar to those used for regular statements. If the account is not paid within fifteen days, we repeat the notice. If, after two or three of these notices, the account is not paid we either use the telephone or turn it over to our collector.

We have been using this form for approximately ten years and find it is very effective in our business.

(Editor's Note: It is our firm belief that the use of the National Association emblem on such forms would increase their effectiveness in making collections.)

Ben Mueller, Secretary of the Mueller Lumber Co., does use form letters. We quote:

Here in our work we have found collection letters useful. Personally, I have found them helpful in supplementing individually dictated letters. I hesitate, however, to depend on form letters too much, because I find that by doing so our entire collection procedure tends to get into a rut.

So, we use a "change of pace" occasionally: Our forms are not used in regular sequence and a series of letters to a customer may include form letters, individually dictated letters, statements with stickers attached, and more recently, statements with individually typed notices on the bottom. These notations, in many cases, are personalized and are signed personally. As a change of pace, this particular little device has proved remarkably successful.

Figures 4 and 5 are an unusually good pair of card reminders. With slight changes, they are also used on monthly accounts. *Figure 6* is an exceptional example of effective "last-chance" letters.



**CHRISTMAS SEALS FIGHT
TUBERCULOSIS**

BUY THEM AND USE THEM

Collection Agencies Most Effective In Early Stages of Delinquency

By W. M. MILHAM

Milham Mercantile Agency, Kalamazoo, Mich. (Past Chairman, Supervising Collection Department, N.C.C.R.C.)

[[Extracts from an Address at the Twenty-Second Annual Convention--Rochester, N. Y., June 18-21, 1935]]

THE question is often asked: "Just when in the history of an account should it be placed for collection?" The answer is, the sooner the better. Personally I believe that no account should be permitted to stand more than six months and that the period of three months is even better. If you started your own collection procedure immediately after the account became delinquent, *as of course you should do*, and satisfactory results are not obtained in 90 days, it should be perfectly evident that the account needs expert attention or it will eventually become a total loss.

Merchants generally hold their accounts altogether too long because they hope that their debtors will have a change of heart and come in and pay. Such hopes are vain. When accounts have stood open for six months, without satisfactory explanations, these debtors will never pay except in rare cases unless outside pressure is used.

Everything on earth has a rate of depreciation. A wooden dwelling may depreciate 5 per cent a year, a brick dwelling 2 per cent a year. An automobile will depreciate approximately $33\frac{1}{3}$ per cent per year. Men depreciate about $2\frac{1}{2}$ per cent per year and all human beings born on this earth die at an average age of 44. But I know of nothing which depreciates so rapidly in value as delinquent accounts!

It has been estimated that delinquent accounts will depreciate 25 per cent in one year, 40 per cent in two years, 60 per cent in three years, 80 per cent in four years and 95 per cent in five years. The older an account becomes the less chance there is to salvage anything from it. When delinquent accounts are not given early attention the chances of collecting become more and more remote in proportion to their age.

One of the principal reasons for the rapid depreciation in the value of accounts lies in the minds of the debtors. Carelessness in pushing your collections inspires carelessness in paying on the part of the debtors. At first it may be simply neglect but, if you do not insist upon settlement, the debtor soon comes to believe that the payment of the account is not important to you.

As time goes on he finally convinces himself that he is justified in not paying at all and he is prepared to resist all collection efforts. This is one of the most common



results of permitting accounts to stand too long.

Another cause for the depreciation in the value of accounts is the fact that delinquent debtors move often. The most serious problem of a collection man is locating lost debtors. Some merchants apparently never place accounts for collection until they are unable to find their debtors. What chance has the collection man with a debtor who is ten jumps ahead of him? When merchants hold accounts until debtors cannot be found, such accounts are always a total loss.

Another cause for the depreciation in the value of accounts lies in the fact that when you neglect your collections an opportunity is given for the debtors to accumulate many other delinquent accounts which make it all the more difficult to collect from them. When a man owes ten delinquent accounts the possibility of collecting from him is only 10 per cent of what it would be if he owed only one. Not long ago our office had 41 accounts, amounting to \$3,847.93, *against a single individual*. Ordinarily there would be little possibility of collecting this amount from a factory worker but fortunately we were able to collect every account in full.

Accounts should be placed for collection early in their history because of the rapid rate of depreciation in value. Furthermore, the expense of handling collections is much smaller on comparatively recent accounts than on very old ones. The earlier you place your accounts for collection the more you will realize from them and the smaller the expense will be.

If you hesitate to place your delinquent accounts for collection because you will lose a part of their value in collection fees, you should remember that in their present condition they are a total loss and will remain so until proper attention is given to them. The longer you delay the greater your losses will be.

You may as well face the facts and the sooner you do so the better off you are. You do not have the time to give your accounts the proper attention. You are not equipped to handle them as they should be handled. You do not have the facilities for tracing those who have moved. You are not in a position to develop a follow-up system which will enable you to always be on hand when the debtors have money.

(Continued on page 32.)

A Definite Credit Policy - -

(Continued from page 27.)

must be paid upon their terms if there is to be a profit in the transaction.

There needs must be competition in business—that of selling—but there should never be the competition of selling of terms.

The merchants of the country have it in their power to make a success of business. They know what the country needs in the way of merchandise, having studied the field and the facts. They know what a legitimate profit on their merchandise will net them. They can find out the paying habits and abilities of their prospective customers.

But—and that is a big word—*there must be among the merchants of the country the realization of this fact:* The merchandise is theirs—they have it for sale—there must be a legitimate profit—and the only way to make that profit is for them to let their customers know that to buy merchandise from them on credit they must not only be able to pay according to the merchant's terms, but must also be willing to do so.

When one buys merchandise from a cash store, he does not ask for terms, but pays for the merchandise at time of delivery, according to the terms of the store. It is up to the merchant who trusts his customers—who permits them to take the merchandise to be paid for at a later date—to see that they pay for it at the time the merchant says, and not at the pleasure of the customer.

The greatest field today for increased opportunity for service is in education. Just as the people of the country believe in educating their children so that they may know facts, so it is just as important that merchants educate themselves and their employees that their business must be run on a real business basis for them to make the profit to which they are entitled.

The public does not expect or wish that the merchant shall carry on his business at a loss, and when they realize that the merchant has planned and is carrying on his business on a real business basis with the expectation of making an honest profit, they will be glad to meet him more than halfway.

There are few dishonest persons in the country. Even so, those few can steal thousands upon thousands of dollars, easily, but the loss can be largely curtailed by the complete cooperation of the merchants who are willing to help each other in a real campaign for better profits.

What of the merchant and his part in this drama of business?

First of all he must make a real, definite policy for his credit department. He must study his cost, know how much profit he can add to do a business that pays him sufficient profit to make it worth while. He must know that merchandise on the books does not make a profit, unless paid for according to his terms, and that every day's delay in payment is just so much loss to him.

If his business warrants it, he must select a man to have charge of the credit department, explain to him the policy that is to guide that department, and then tell him it is up to him to make good, and that so long as he carries out the policy so outlined, he will have the complete backing of the officers of the company.

If his business does not warrant the employment of a credit manager, the owner himself must take up this policy and live up to it without showing favor to friends or anyone who buys.

Then the customer must know definitely what the policy of the store is. Upon making application for credit

he must be told the policy of the store and if the account is opened, he should be written a letter telling him *again* when bills are due.

If the bill is not paid when due, a courteous notice should be sent immediately after the past due date. Waiting, hoping that the customer will pay so that he will not have to have a notice of delinquency, is poor policy; and the man who appreciates the privilege of a charge account will not only not take offense, but will thank you for calling his attention to his neglect.

The customer who is allowed to pay as he pleases and has no notice of any kind from the store, soon loses his respect for the merchant, feeling that if there is no more concern from the management of the store than they show about his account, then he will do as he pleases.

What about the man selected to handle the credit department of the store?

Credit management is very properly called a profession but, unlike other professions, it is almost impossible to get technical knowledge and experience before actually entering the work.

The credit profession is comparable with other professions in that it is devoid of monotony as decisions and cases differ as human beings do. The efficient credit man analyzes his credit risks from every angle, desiring at all times to build for better business.

What are the opportunities? His training fits him for higher executive positions, and men in this profession are being advanced over others employed for a longer period of time.

What should be the personal qualifications of the credit man?

The first is judgment—the ability to weigh the relative value of the credit risk. Accuracy and thoroughness are two other characteristics, and after these comes one of the most important and that is *courage*. That is largely measured by his ability to say "No" at the proper time. Weakness of character or fear of losing the business by offending the customer is due to the lack of this quality.

Firm, positive, courteous, willing to listen and to help when convinced that facts are being given—going the second mile when shown that the customer has been unfortunate through no fault of his own—the credit man who can do these things will be a success and not only make friends for his store, but also make money for the owners.

Try the "Blue Book" of Credit and Collection Letters

"Invaluable in the extending of credit and keeping credit losses to a minimum," says
L. V. Eberhard, Grand Rapids, Mich.

(See page 12)

OVER 3,000 COPIES IN USE BY MEMBERS!

To members, only \$1.00--to non-members,
\$1.50--postpaid

Order from National Office

The Slumbering Giant Awakens!

(Continued from page 26.)

Will members of the dairy industry not represented at Rochester stop long enough to grasp the potential value of such a group? Will the dairy executives think of the excellent results their credit departments have attained during the depression and lend their assistance to a group that have proved their ability to further credit sales profitably? If they do, the benefits to be derived from such contacts will permit their credit sales executives to produce an increasingly better performance.

I have a word to say also to the bureau managers who are serving or may wish to serve dairy companies: *The potential use of your reporting service by this industry is as great as you may wish to make it. A dairy interchange service is not the answer. We need the complete story on the customer as much as anyone does, and will not be satisfied with less.*

We sell, on credit, thousands of accounts that have no store experience. If they have any previous credit experience it is probably with the public service companies or installment accounts. Can you develop information on these accounts sufficient to intelligently pass credit? If you can, the dairy industry needs you!

Collection Agencies Most Effective in Early Stages of Delinquency

(Continued from page 30.)

In fact you are not equipped to do any of the necessary things which can be done and are being done every day by well-trained collection men. The only solution of your collection problems lies in the employment of the expert collection man who has all the equipment, training and qualifications so necessary in the successful handling of delinquent accounts.

Select your collection man with care and with special reference to his honesty and ability and give him your accounts while there is still a chance for him to give you good collection service. Do not expect him to do impossible things. Cooperate with him in every way by giving him all known information concerning the account and the debtor himself and you will then have the right to expect satisfactory collection service.

The suggestions made in this paper are the results of more than 23 years of successful experience in handling delinquent accounts. If these suggestions have been of any value to you I am content.

"Community Credit Policies" Booklet Is Ready for Distribution

This is a 105-page compilation by the Research Department (Study No. 18), showing how Community Credit Policies and Carrying Charge Plans are operating in 24 cities. Invaluable to all cities, as well as individuals, contemplating the adoption of such policies.

(It also contains all the addresses, on this subject, delivered at the Twenty-Second Annual Convention in Rochester last June.)

Price, \$1.50 to members—\$2.50 to nonmembers. Order from the National Retail Credit Association, 1218 Olive St., St. Louis, Mo.

The Credit Executive's Responsibility to the Credit Bureau

(Continued from page 14.)

up to a point of high efficiency so bureaus can render complete, accurate reports within the shortest possible time.

Merchant-owned reporting agencies throughout the country will benefit by increased revenue if their facilities for furnishing reports are superior to competitors'. Speed is one of the important talking points, but we mustn't lose sight of the fact that *complete* credit data is a much more important talking point.

Recognizing these fundamentals as the foundation for an era of more successful credit reporting, let us, Mr. Credit Executive and Mr. Bureau Manager, be willing to accept our individual responsibility in its accomplishment.

"Credits and Collections" Reprint Available to Members - - Without Charge

This booklet is one of eleven, representing chapter reprints from *Better Retailing*, a handbook of modern retailing methods, published by the National Cash Register Company. We have on hand 1,000 copies which we will supply to members—on request—without charge. Address requests to National Retail Credit Association, 1218 Olive St., St. Louis, Mo.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF MARCH 3, 1933.

OF CREDIT WORLD, published monthly at St. Louis, Mo., for October 1, 1935.

State of Missouri,
City of St. Louis,

Before me, a Notary Public in and for the State and county aforesaid, personally appeared Lindley S. Crowder, who, having been duly sworn according to law, deposes and says that he is the Editor of the *Credit World*, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:
Publisher, National Retail Credit Association.....St. Louis, Mo.
Editor, Lindley S. Crowder.....St. Louis, Mo.
Managing Editor, Daniel J. Hannefin.....St. Louis, Mo.
Business Manager, Arthur H. Hert.....St. Louis, Mo.
2. That the owner is: National Retail Credit Association, 1218 Olive Street, St. Louis, Mo. Giles C. Driver, President, c/o The May Company, Cleveland, Ohio; E. K. Barnes, First Vice-Pres., c/o First National Bank, Spokane, Wash.; A. J. Kramer, Second Vice-Pres., c/o Borden's Farm Products Co., Inc., 110 Hudson St., New York, N. Y.; L. S. Crowder, Treasurer, 1218 Olive St., St. Louis, Mo.; A. H. Hert, Secretary, 1218 Olive St., St. Louis, Mo. No stock. Official organ of the National Retail Credit Association.
3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.
4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

L. S. CROWDER.

Sworn to and subscribed before me this 24th day of September, 1935.

(My commission expires May 1, 1936.)

Elizabeth S. Tunica.

COLLECTION STICKERS--IN TWO SERIES

1. The "Standard" Series



"82.2% Collections--"

Read the report, in the March "Credit World," of W. D. Sweger, General Credit Manager, Pomeroy's Department Stores, Inc., Reading, Pa.:

"These stickers were attached to statements sent to 722 delinquent accounts . . . 593 or 82.2 per cent paid in full or made partial payments!"

Five in the series, exact size as shown (upper half of this page), printed in two tones of blue on gummed white paper.

Prices, 1,000 of any one sticker, \$2.00; 1,000 assorted, \$2.50. Small lots--less than 1,000 assorted--50 cents per 100.



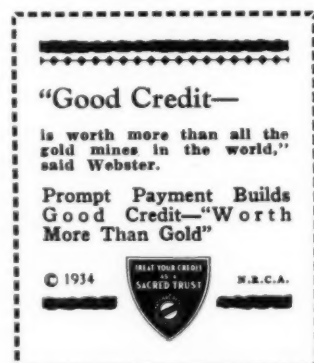
2. The "Gold" Series

An outstanding series--rich and dignified looking: Printed in royal blue, on special gold paper. Five in series (shown on lower half of this page). Actual size, 1 1/4" x 2". (Dotted lines are not part of stickers but are only "size indicators.")

PRICE, \$3.00 PER THOUSAND

Also, shown below, the new "Gold" Emblem Sticker (exact size shown by dotted lines). Printed on special "gold" paper. Price, \$1.50 per 1,000.

Order Either Series from Your Credit Bureau or the National Office



P. S. Below: New "Gold" Emblem Sticker. \$1.50 per 1,000.



Three Ways to Use Your Emblem-- for Better Credits and Collections

1. Place the National's new "gold" membership sign in every possible point of vantage, where it may be seen by customers.
2. Use the emblem electrotypes on all state-

ments, collection notices, letterheads and envelopes.

3. Wear the National emblem where it may be seen by customers and applicants for credit.

ELECTROS "Open-face" Type

(Shield design only.
"Round" emblem electros
discontinued.)



$\frac{3}{4}$ Inch
50 Cents



1 Inch
75 Cents



"Gold" Membership Sign

Printed in deep purple on heavy-weight gold cardboard. (In illustration above orange background indicates background of gold in actual sign.) Size, 6" x 7"—punched for hanging. Prices: One, 15c; two, 25c; five, 50c; special prices on lots of 100 or more with name of local association (instead of National's) imprinted at bottom of sign.

ELECTROS "Reverse" Type

(Shield design only.
"Round" emblem electros
discontinued.)



$\frac{3}{4}$ Inch
50 Cents



1 Inch
75 Cents

LAPEL BUTTON (SOLID GOLD)



Attractively finished.
Just the right size!
\$1.50.

WATCH CHARM



Solid Gold with ring
for attaching.
\$3.00

EMBLEM RINGS



Solid Gold, shield
style, plain,
\$7.50



Solid Gold, signet
style, plain or
hammered,
\$7.50

Use Restricted to Members of the National Association—Order from the National Office

NATIONAL RETAIL CREDIT ASSOCIATION
1218 OLIVE STREET
ST. LOUIS, MO.

